

ASSEMBLY BILL

No. 1577

Introduced by Assembly Member Benoit

February 22, 2005

An act to amend Section 1040 of the Evidence Code, and to amend Sections 605, 634.5, 682, 684, 708, 708.5, 828, 1025, 1032, 1111, 1111.5, 1142, 1222, 1260, 1261, 1281, 1451, 2051, 2061, 2781, 3254.5, 9003, 9604, 9605, 9608, 9615, 9616.1, 10212.2, 11000, 11001, 11002, 11003, 11004, 13002, 13009, 13009.5, 13021, 15001, and 15005 of, to amend and renumber Sections 1256.1, 1256.2, 1256.3, 1256.5, and 1256.7 of, to add Section 1256.1 to, to repeal Sections 301.5, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 9106, 10521, 10523, 10524, 10525, and 10527 of, to repeal Article 8.5 (commencing with Section 1150) of Chapter 4 of Part 1 of Division 1 of, to repeal Division 2 (commencing with Section 5000) of, to repeal Chapter 3 (commencing with Section 10000) and Chapter 6 (commencing with Section 11010) of Part 1 of Division 3 of, and to repeal Division 4 (commencing with Section 12000) of, and to repeal and add Section 1280 of, the Unemployment Insurance Code, relating to unemployment compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1577, as introduced, Benoit. Unemployment insurance reform.

(1) Under existing unemployment insurance law, if a claimant for unemployment compensation left the employer's employ voluntarily and without good cause, or under one of the specified circumstances, benefits paid to the claimant that are based upon wages earned from the employer prior to the date of termination are not charged to the account of the employer, except as specified.

This bill would revise the specified circumstances under which the benefits paid to a claimant are not charged to the employer's account, as provided, to include a situation when an employee was denied employment or was terminated by an unspecified licensee or facility that was required by law to deny or terminate employment of that employee based on written notification from the department that the employee had a prior criminal conviction or was determined unsuitable for employment, as provided.

(2) Existing law requires employers to pay certain contribution amounts to, and to file certain returns and reports with, the Employment Development Department, but provides for a waiver, under certain circumstances, by the Employment Development Department of requirements specifying time periods within which an employer must make a return or report, or pay, without penalty, any contribution amount required to be paid, as specified.

This bill would extend a waiver of those reporting requirements to reporting and remitting of withheld income tax, as provided.

(3) Existing law requires, if the Director of the Employment Development Department finds that any employer or any employee, officer, or agent of any employer, in submitting facts concerning the termination of a claimant's employment pursuant to specified provisions of that law, willfully makes a false statement of representation or willfully fails to report a material fact concerning that termination, that the director assess a penalty against the employer in an amount not less than 2 but not more than 10 times the weekly benefit amount of that claimant.

This bill would change the amount of that penalty to an amount 10 times the highest weekly benefit amount of the claimant, as provided.

(4) Existing unemployment insurance law provides that an individual who leaves his or her work voluntarily or without good cause is disqualified from receiving unemployment benefits. Existing law further defines good cause for these purposes and establishes procedures and presumptions for the administration of benefits.

This bill would additionally disqualify an individual for unemployment compensation benefits if the director finds that the individual has been discharged for gross misconduct connected with the most recent work, as defined, and would provide that the individual shall forfeit any rights to benefits for the week in which the act that caused his or her disqualification occurred and for the 51 consecutive calendar weeks that immediately follow that week. This

bill would also specify that an individual who left work voluntary or without good cause is ineligible to receive unemployment compensation benefits for the week in which the act that caused her or his disqualification occurred and continuing for 5 weeks, as provided.

(5) Existing law disqualifies an individual from receiving unemployment insurance benefits for a specified number of weeks if that individual made a false statement or representation or withheld a material fact, as specified, to obtain unemployment insurance benefits, or, without good cause, refused to accept suitable employment, as provided. Existing law authorizes the director to extend the period of ineligibility of that individual for an additional period not to exceed 8 additional weeks.

This bill would allow the director to extend that period for an additional period not to exceed 11 additional weeks.

(6) Existing law establishes a schedule of prescribed amounts of weekly unemployment compensation benefits paid to an individual for new and existing claims filed on or after January 1, 1992, as provided, with a maximum weekly benefit amount of \$450 for new claims filed with an effective date beginning on or after January 1, 2005.

This bill would replace that schedule with a new schedule of increased weekly benefit amounts for new unemployment insurance claims filed with an effective date beginning on or after January 1, 2006. This bill would provide that the weekly benefit for individuals whose highest wages in the quarter of his or her base period exceeds \$11,700 is 50% of those wages divided by 13, but may not exceed \$450.

(7) Under existing law, unemployment compensation benefits are based on wages paid in a base period that is calculated according to the month within which the benefit year begins. Existing law establishes alternative definitions of base period for claims filed for which a valid claim or benefit year cannot be established under the currently defined base period.

This bill would delete those alternative definitions that are obsolete, and would establish an alternative definition of base period for claims filed on or after January 1, 2006.

(8) Existing law states the intent of the Legislature to ensure that job order information registered with the Job Service of the Employment Development Department be shared among the department's field offices and requires all of the department's offices within a common labor-market area, as defined, to share job listing

information, as specified, and display signs containing specified information for job seekers to review.

This bill would repeal the provisions requiring the department's offices within a common labor-market area to share job listing information and display specified signs, and would modify the provisions relating to legislative intent to state that job order information registered with the One-Stop Career Centers System shall be also shared among the department's field offices and one-stop career centers in the local labor market and throughout the state.

(9) Existing law provides for the payment of nonindustrial disability benefits to eligible state employees in a specified amount, in lieu of the disability compensation, as described, by the Controller upon authorization by the Employment Development Department.

This bill would clarify that those provisions do not apply to employees, as defined, of the California State University.

(10) Existing law requires the department to administer all job training and placement programs and services for eligible persons, as defined, to establish necessary data systems for purposes of providing administrative information on specified persons, including progress report data for clients in the manpower training program, as specified, and to conduct and administer, among other things, the California Migrant Master Plan.

This bill would delete the provisions requiring the department to submit progress report data, as provided, and to conduct and administer the California Migrant Master Plan.

(11) Existing unemployment insurance law requires each employer to file a report of wages paid to his or her workers and subject to personal income tax, and to furnish to each employee a written statement showing, among other things, the total amount of wages paid to that employee, including the amount that is subject to personal income tax, as provided. Existing law defines the term "wages" to include all remunerations, as provided, subject to certain exceptions, and specifies that "wages subject to personal income tax" means remuneration, defined as wages, and other payments.

This bill would exclude payments made by an employer to the recipients of income in respect of decedents, as provided, from the definition of "wages," and would expand the definition of "wages subject to personal income tax" to include payments for services not in the course of the employer's trade or business, as described, payments in the form of group-term life insurance on the life of an

employee, payments to a seaman or an individual on a boat, as provided, and remuneration attributable to the disposition of stock pursuant to the exercise of specified options, as provided.

(12) Existing law requires the Employment Development Department to develop and administer an amnesty program for a 3-month period beginning on April 1, 1995, under which an employer is eligible to apply for the waiver of unpaid penalties, and interest owed on those penalties, imposed on or before June 30, 1993, that are owed as a result of the nonpayment or underpayment of these tax liabilities or the failure to file reports; or penalties imposed, or that may be imposed, and taxes required to be withheld, that are owed as a result of the nonreporting or underreporting of these tax liabilities or the failure to file reports for periods that ended on or before June 30, 1993.

This bill would delete those obsolete provisions relating to that amnesty program.

(13) Existing law provides for the establishment of a self-employment assistance program, administered by the Director of the Employment Development Department, and establishes the eligibility requirements that an individual must satisfy in order to qualify for the self-employment assistance program. Existing law terminates that program as of the week ending December 5, 1998.

This bill would delete those obsolete provisions relating to the self-employment assistance program.

(14) Existing law requires the department to coordinate various employment programs, including work incentive programs, and to implement a federal welfare-to-work grant program pursuant to the federal Balanced Budget Act of 1997.

This bill would delete those provisions relating to the work incentive programs and the welfare-to-work grant program.

(15) Existing law authorizes the State Job Training Coordinating Council to develop a comprehensive and coordinated employment and training programs and services plan in accordance with the federal Job Training Partnership Act, which imposes various requirements on states to provide local employment and training services for economically disadvantaged individuals and displaced workers as a condition of receipt of federal funds. Existing law defines “employment and training programs and services” to include specified programs and prescribes certain guidelines for developing the coordination and special services plan, as provided.

This bill would delete those provisions relating to the guidelines for developing the coordination and special services plans, and the provisions relating to the definition of the phrase “employment and training programs and services.”

(16) Under existing law, the Secretary of the Health and Welfare Agency, the Secretary of the Trade and Commerce Agency, the Chancellor of the California Community Colleges, and the Superintendent of Public Instruction, in collaboration with state and regional, as well as local work force education and training providers, are required to develop and maintain a state work force development plan to create an integrated, high-quality work force development system in order to prepare emerging, transitional, and current workers to be employed in the state’s global economy.

This bill would repeal those provisions relating to the Regional Work Force Preparation and Economic Development Act.

(17) Existing law establishes a job training program and a career opportunities development program for welfare recipients and other disadvantaged persons administered by the State Personnel Board, and requires the board to ensure that a sum of no less than \$1,000,000 be available to certain entities that develop jobs providing or leading to permanent employment for registrants of the Greater Avenues for Independence Act of 1985.

This bill would repeal the provisions relating to the career opportunities development program.

(18) This bill would also delete obsolete references, revise cross-references and make conforming and clarifying changes to the provisions relating to unemployment compensation, employment services programs and withholding tax on wages.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1040 of the Evidence Code is amended
2 to read:
3 1040. (a) As used in this section, “official information”
4 means information acquired in confidence by a public employee
5 in the course of his or her duty and not open, or officially
6 disclosed, to the public prior to the time the claim of privilege is
7 made.

1 (b) A public entity has a privilege to refuse to disclose official
2 information, and to prevent another from disclosing official
3 information, if the privilege is claimed by a person authorized by
4 the public entity to do so and:

5 (1) Disclosure is forbidden by an act of the Congress of the
6 United States or a statute of this state; or

7 (2) Disclosure of the information is against the public interest
8 because there is a necessity for preserving the confidentiality of
9 the information that outweighs the necessity for disclosure in the
10 interest of justice; but no privilege may be claimed under this
11 paragraph if any person authorized to do so has consented that
12 the information be disclosed in the proceeding. In determining
13 whether disclosure of the information is against the public
14 interest, the interest of the public entity as a party in the outcome
15 of the proceeding may not be considered.

16 (c) Notwithstanding any other provision of law, the
17 Employment Development Department shall disclose to law
18 enforcement agencies, in accordance with the provisions of
19 subdivision ~~(k)~~ (i) of Section 1095 and ~~subdivision (b)~~ of Section
20 2714 of the Unemployment Insurance Code, information in its
21 possession relating to any person if an arrest warrant has been
22 issued for the person for commission of a felony.

23 SEC. 2. Section 301.5 of the Unemployment Insurance Code
24 is repealed.

25 ~~301.5. The department succeeds to and has all the duties,~~
26 ~~powers, purposes, responsibilities and jurisdiction vested in the~~
27 ~~State Service Center Program authorized by the 1966 Second~~
28 ~~Extraordinary Session of the Legislature and established in the~~
29 ~~Governor's office by Executive Order 66-11, July 1966.~~

30 SEC. 3. Section 605 of the Unemployment Insurance Code is
31 amended to read:

32 605. (a) Except as provided by Section 634.5, "employment"
33 for the purposes of this part and Parts 3 (commencing with
34 Section 3501) and 4 (commencing with Section 4001) includes
35 all service performed by an individual (including blind and
36 otherwise ~~handicapped~~ *disabled* individuals) for any public entity
37 or Indian tribe, if the service is excluded from "employment"
38 under the Federal Unemployment Tax Act solely by reason of
39 paragraph (7) of Section 3306(c) of that act.

40 (b) For purposes of this section:

(1) “Public entity” means the State of California (including the Trustees of the California State University and Colleges, and the California Industries for the Blind), any instrumentality of this state (including the Regents of the University of California), any political subdivision of this state or any of its instrumentalities, a county, city, district (including the governing board of any school district or community college district, any county board of education, any county superintendent of schools, or any personnel commission of a school district or community college district that has a merit system pursuant to any provision of the Education Code), entities conducting fairs as identified in Sections 19418 to 19418.3, inclusive, of the Business and Professions Code, any public authority, public agency, or public corporation of this state, any instrumentality of more than one of the foregoing, and any instrumentality of any of the foregoing and one or more other states or political subdivisions.

(2) “Indian tribe” means any Indian tribe described by subsection (u) of Section 3306 of Title 26 of the United States Code.

SEC. 4. Section 634.5 of the Unemployment Insurance Code is amended to read:

634.5. Notwithstanding any other provision of law, no provision excluding service from “employment” shall apply to any entity defined by Section 605 or to any nonprofit organization described by Section 608, except as provided by this section. With respect to any entity defined by Section 605 or any nonprofit organization described by Section 608, “employment” does not include service excluded under Sections 629, 631, 635, and 639 to 648, inclusive, or service performed in any of the following:

(a) In the employ of either of the following:

(1) A church or convention or association of churches.

(2) An organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches.

(b) By a duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry or by a member of a religious order in the exercise of duties required by the order.

1 (c) In the employ of any entity defined by Section 605, if the
2 service is performed by an individual in the exercise of his or her
3 duties as any of the following:

4 (1) An elected official.

5 (2) A member of a legislative body or a member of the
6 judiciary of a state or a political subdivision of a state.

7 (3) A member of the tribal council of an Indian tribe as
8 described by subsection (u) of Section 3306 of Title 26 of the
9 United States Code.

10 (4) A member of a State National Guard or Air National
11 Guard.

12 (5) An employee serving on a temporary basis in case of fire,
13 storm, snow, earthquake, flood, or other similar emergency.

14 (6) An employee in a position that, under or pursuant to state
15 or tribal law, is designated as either of the following:

16 (A) A major nontenured policymaking or advisory position.

17 (B) A policymaking or advisory position, the performance of
18 the duties of which ordinarily does not require more than eight
19 hours per week.

20 (7) (A) Except as otherwise provided in subparagraph (B), an
21 election official or election worker if the amount of remuneration
22 reasonably expected to be received by the individual during the
23 calendar year for services as an election official or election
24 worker is less than one thousand dollars (\$1,000).

25 (B) This paragraph shall not take effect unless and until the
26 service is excluded from service to which paragraph (1) of
27 subdivision (a) of Section 3309 of Title 26 of the United States
28 Code applies by reason of exemption under subdivision (b) of
29 Section 3309 of that act.

30 ~~(d) Except as provided by Section 605.5, by~~ By an individual
31 receiving rehabilitation or remunerative work in a facility
32 conducted for the purpose of carrying out a program of either:

33 (1) Rehabilitation for individuals whose earning capacity is
34 impaired by age or physical or mental deficiency or injury.

35 (2) Providing remunerative work for individuals who because
36 of their impaired physical or mental capacity cannot be readily
37 absorbed in the competitive labor market.

38 (e) By an individual receiving work relief or work training as
39 part of an unemployment work relief or work training program
40 assisted or financed in whole or in part by any of the following:

1 (1) A federal agency.

2 (2) An agency of a state or a political subdivision thereof.

3 (3) An Indian tribe, as described by subsection (u) of Section
4 3306 of Title 26 of the United States Code.

5 (f) By a ward or an inmate of a custodial or penal institution
6 pursuant to Article 1 (commencing with Section 2700), Article 4
7 (commencing with Section 2760), and Article 5 (commencing
8 with Section 2780) of Chapter 5 of, and Article 1 (commencing
9 with Section 2800) of Chapter 6 of, Title 1 of Part 3 of the Penal
10 Code, Section 4649 and Chapter 1 (commencing with Section
11 4951) of Part 4 of Division 4 of the Public Resources Code, and
12 Sections 883, 884, and 1768 of the Welfare and Institutions
13 Code.

14 (g) By an individual under the age of 18 years in the delivery
15 or distribution of newspapers or shopping news, not including
16 delivery or distribution to any point for subsequent delivery or
17 distribution.

18 (h) By an individual in the sale of newspapers or magazines to
19 ultimate consumers, under an arrangement that includes the
20 following conditions:

21 (1) The newspapers or magazines are to be sold by the
22 individual at a fixed price.

23 (2) The individual's compensation is based on retention of the
24 excess of the price over the amount at which the newspapers or
25 magazines are charged to the individual, whether or not he or she
26 is guaranteed a minimum amount of compensation for the service
27 or is entitled to be credited with the unsold newspapers or
28 magazines that he or she returns.

29 (i) (1) Except as otherwise provided in paragraph (2), as a
30 substitute employee whose employment does not increase the
31 size of the employer's normal workforce, whose employment is
32 required by law, and whose employment as a substitute employee
33 does not occur on more than 60 days during the base period.

34 (2) This subdivision shall not take effect unless and until the
35 United States Secretary of Labor, or his or her designee, finds
36 that this subdivision is in conformity with federal requirements.

37 (j) As a participant in a national service program carried out
38 using assistance provided under Section 12571 of Title 42 of the
39 United States Code.

1 SEC. 5. Section 682 of the Unemployment Insurance Code is
2 amended to read:

3 682. (a) "Employer" also means any employing unit which
4 employs individuals to perform domestic service in a private
5 home, local college club, or local chapter of a college fraternity
6 or sorority and pays wages in cash of one thousand dollars
7 (\$1,000) or more for such service during any calendar quarter in
8 the calendar year or the preceding calendar year.

9 (b) Any employing unit which qualifies as an employer under
10 this section shall not be treated as an employer with respect to
11 wages paid for any service other than domestic service specified
12 by this section unless such employing unit also qualifies as an
13 employer with respect to such other service under Section 675,
14 676, 677, or 678, ~~680, or 681~~.

15 SEC. 6. Section 684 of the Unemployment Insurance Code is
16 amended to read:

17 684. (a) Solely for the purposes of Part 2 (commencing with
18 Section 2601) of this division, "employer" also means any
19 employing unit which employs individuals to perform domestic
20 service in a private home, local college club, or local chapter of a
21 college fraternity or sorority and pays wages in cash of seven
22 hundred fifty dollars (\$750) or more to individuals employed in
23 such service during any calendar quarter in the calendar year or
24 the preceding calendar year.

25 (b) Any employing unit which qualifies as an employer under
26 this section shall not be treated as an employer with respect to
27 wages paid for any service other than domestic service specified
28 by this section unless such employing unit also qualifies as an
29 employer with respect to such other service under Section 675,
30 676, 677, or 678, ~~680, or 681~~.

31 SEC. 7. Section 708 of the Unemployment Insurance Code is
32 amended to read:

33 708. (a) Any individual who is an employer under this
34 division or any two or more individuals who have so qualified
35 may file with the director a written election that their services
36 shall be deemed to be services performed by individuals in
37 employment for an employer for all the purposes of this division.
38 Upon the approval of the election by the director the services of
39 those individuals shall be deemed to constitute employment for
40 an employer for all the purposes of this division. Regardless of

1 their actual earnings, for the purposes of computing benefit rights
2 and contributions under this division, they shall be deemed to
3 have received the following remuneration for each calendar
4 quarter:

5 (1) For purposes of unemployment insurance, the highest
6 amount of wages required to be entitled to the maximum benefit
7 amount provided in Section 1280.

8 (2) For purposes of disability insurance, the highest amount of
9 wages required to be entitled to the maximum benefit amount
10 provided in Section 2655.

11 (A) For disability insurance contributions on or after July 1,
12 1994, the quarterly contribution shall be the product of
13 one-fourth of the amount of net profit, but not less than one
14 thousand one hundred fifty dollars (\$1,150) except when
15 subparagraph (B) applies, reported on or before April 15 of the
16 preceding year as declared on the Internal Revenue Service
17 Schedule SE filed by an individual who is an employer under this
18 division and the contribution rate established pursuant to Section
19 984.5, except as provided by Section 985. On January 1, 1995,
20 quarterly income credits for the period from July 1, 1993, to June
21 30, 1994, inclusive, shall be changed to one-fourth of the amount
22 of the net profit or four thousand six hundred dollars (\$4,600),
23 whichever is greater, reported on or before April 15, 1993, as
24 declared on the Internal Revenue Service Schedule SE for the
25 1992 taxable year filed by each individual having an elective
26 coverage agreement in effect for that period or any portion
27 thereof. If no Internal Revenue Service Schedule SE was filed,
28 the individual shall be assigned a quarterly income credit of one
29 thousand one hundred fifty dollars (\$1,150). Quarterly income
30 credits for this period shall not exceed seven thousand nine
31 hundred forty-two dollars (\$7,942). If any quarterly income
32 credit for the period from July 1, 1993, to June 30, 1994,
33 inclusive, was reduced prior to January 1, 1995, the amended
34 income credit shall be reduced proportionately. Benefits payable
35 for periods of disability commencing on or after January 1, 1995,
36 shall be based on Section 2655. For purposes of this division,
37 income credits shall be included in the term "wages."

38 (B) The self-employed individual shall not pay contributions
39 for periods of any disability, including periods for which some
40 services are performed while disabled. The self-employed

individual shall file a quarterly report of wages and certify as to the period of disability in order to maintain eligibility for elective disability insurance coverage and benefits. During periods of disability, the self-employed individual shall reduce his or her quarterly contributions by dividing the quarterly contribution amount by 91 to compute the daily contribution amount, and the daily contribution amount shall be multiplied by the number of days disabled to compute the amount by which the quarterly contributions shall be reduced. The department shall reduce income credits utilizing the same calculation method.

(b) Any individual who is an employer under this division or any two or more individuals who have so qualified may file with the director a written election that their services shall be deemed to be services performed by individuals in employment for an employer for the purposes of Part 2 (commencing with Section 2601) only. Upon the approval of the election by the director the services of those individuals shall be deemed to constitute employment for an employer for the purposes of Part 2 (commencing with Section 2601) only. Regardless of their actual earnings, for the purposes of computing disability benefit rights and worker contributions, they shall be deemed to have received remuneration for each calendar quarter the highest amount of wages required to be entitled to the maximum benefit award provided in Section 2655. For contributions on or after July 1, 1994, the quarterly contribution shall be the product of one-fourth of the amount of net profit, but not less than one thousand one hundred fifty dollars (\$1,150), except when subparagraph (B) of paragraph (2) of subdivision (a) applies, reported on or before April 15 of the preceding year as declared on the Internal Revenue Service Schedule SE filed by an individual who is an employer under this division and the contribution rate established pursuant to Section 984.5, except as provided by Section 985. The quarterly contribution shall be reduced as set forth in subparagraph (B) of paragraph (2) of subdivision (a) if a disability occurred during the quarter for which payment is being made. On January 1, 1995, quarterly income credits for the period from July 1, 1993, to June 30, 1994, inclusive, shall be changed to one-fourth of the amount of the net profit or four thousand six hundred dollars (\$4,600), whichever is greater, reported on or before April 15, 1993, as declared on the

1 Internal Revenue Service Schedule SE for the 1992 taxable year
2 filed by each individual having an elective coverage agreement in
3 effect for that period or any portion thereof. If no Internal
4 Revenue Service Schedule SE was filed, the individual shall be
5 assigned a quarterly income credit of one thousand one hundred
6 fifty dollars (\$1,150). Quarterly income credits for this period
7 shall not exceed seven thousand nine hundred forty-two dollars
8 (\$7,942). If quarterly income credits were reduced prior to
9 January 1, 1995, the amended income credits shall be reduced
10 proportionately. Benefits payable for periods of disability
11 commencing on or after January 1, 1995, shall be based on
12 Section 2655. For purposes of this division, income credits shall
13 be included in the term "wages."

14 (c) (1) Any individual applying for or continuing elective
15 coverage under this section shall be requested to sign an annual
16 statement authorizing the department to verify the net profit
17 declared on his or her Internal Revenue Service Schedule SE.
18 Failure of the individual to sign a statement authorizing the
19 department to verify income shall result in the individual being
20 assigned an annual income level of four thousand six hundred
21 dollars (\$4,600) for contribution and benefit purposes.

22 (2) Any individual applying for elective coverage shall submit
23 a copy of his or her Internal Revenue Service Schedule SE filed
24 on or before April 15 of the preceding year with his or her
25 application for elective coverage in order to establish first-year
26 contributions and benefits in excess of the minimum required to
27 qualify for elective coverage.

28 (d) Any self-employed individual continuing elective coverage
29 who fails to file an Internal Revenue Service Schedule SE by
30 April 15 of each calendar year is required to remit contributions
31 based upon the last year the self-employed individual filed an
32 Internal Revenue Service Schedule SE.

33 (e) Any self-employed individual who has not yet filed an
34 Internal Revenue Service Schedule SE shall be assigned an
35 annual income level of four thousand six hundred dollars
36 (\$4,600) for contribution and benefit purposes.

37 (f) Contributions required under this division are payable on
38 and after the date stated in the approval of the director. The
39 director may levy assessments under this division for any amount
40 due when an elective coverage agreement has been in effect for

1 less than two complete calendar years. Chapter 7 (commencing
2 with Section 1701), relating to the collection of amount due, shall
3 apply to this section.

4 (g) No benefits shall be paid to any individual based upon
5 remuneration deemed to have been received pursuant to this
6 section unless all contributions due with respect to all
7 remuneration deemed to have been received by such individual
8 pursuant to this section have been paid to the department.

9 (h) No benefits shall be paid to any individual based on
10 elective coverage income credits in his or her base period if his
11 or her elective coverage agreement has been terminated under
12 paragraph (6) of subdivision (a) of Section 704.1.

13 (i) Notwithstanding subdivision (b) of Section 2627~~—and~~
14 ~~Sections 2627.3, 2627.5, and 2627.7~~, no benefits shall be paid to
15 any individual covered under this section, with respect to periods
16 of disability commencing on or after January 1, 1994, until he or
17 she has been unemployed and disabled for a waiting period of
18 seven consecutive days during each disability benefit period.

19 (j) Notwithstanding Section 2653, with respect to periods of
20 disability commencing on or after January 1, 1994, the maximum
21 amount of benefits payable to an individual covered under this
22 section during any one disability benefit period shall be 39 times
23 his or her weekly benefit amount, but in no case shall the total
24 amount of benefits payable be more than the total wages credited
25 to the individual during his or her disability base period. If the
26 benefit is not a multiple of one dollar (\$1), it shall be computed
27 to the next higher multiple of one dollar (\$1).

28 (k) For purposes of this section, Internal Revenue Service
29 Schedule SE is defined as Internal Revenue Service Form 1040
30 Schedule SE, or in the case of statutory employees under the
31 Internal Revenue Code, it shall be defined as Internal Revenue
32 Service Form 1040 Schedule C, or the California Income Tax
33 Return, when accompanied by Internal Revenue Service Form
34 W-2.

35 SEC. 8. Section 708.5 of the Unemployment Insurance Code
36 is amended to read:

37 708.5. (a) Any individual who is self-employed, who is not
38 an employer as defined in any provision of Article 3
39 (commencing with Section 675), of Chapter 3 of this part, and
40 who receives the major part of his or her remuneration from the

1 trade, business, or occupation in which he or she is
2 self-employed, may file with the director a written election that
3 his or her services in connection with his or her trade, business,
4 or occupation shall be deemed to be services performed by an
5 individual in employment for an employer for the purposes of
6 Part 2 (commencing with Section 2601) only. Upon the approval
7 of the election by the director, the services of that self-employed
8 individual in connection with his or her trade, business, or
9 occupation shall be deemed to constitute employment for an
10 employer for the purposes of Part 2 only of this division.
11 Regardless of his or her actual earnings, for the purpose of
12 computing disability benefit rights and worker contributions, he
13 or she shall be deemed to have received remuneration for each
14 calendar quarter the highest amount of wages required to be
15 entitled to the maximum benefit award provided in Section 2655.
16 For contributions on or after July 1, 1994, the quarterly
17 contribution shall be the product of one-fourth of the amount of
18 net profit, but not less than one thousand one hundred fifty
19 dollars (\$1,150), except when subparagraph (B) of paragraph (2)
20 of subdivision (a) of Section 708 applies, reported on or before
21 April 15 of the preceding year as declared on the Internal
22 Revenue Service Schedule SE filed by an individual who is an
23 employer under this division and the contribution rate established
24 pursuant to Section 984.5, except as provided by Section 985.
25 The quarterly contribution shall be reduced as set forth in
26 subparagraph (B) of paragraph (2) of subdivision (a) of Section
27 708 if a disability occurred during the quarter for which payment
28 is being made. On January 1, 1995, quarterly income credits for
29 the period from July 1, 1993, to June 30, 1994, inclusive, shall be
30 changed to one-fourth of the net profit or four thousand six
31 hundred dollars (\$4,600), whichever is greater, reported on or
32 before April 15, 1993, as declared on the Internal Revenue
33 Service Schedule SE for the 1992 taxable year filed by each
34 individual having an elective coverage agreement in effect for
35 that period or any portion thereof. If no Internal Revenue Service
36 Schedule SE was filed, the individual shall be assigned a
37 quarterly income credit of one thousand one hundred fifty dollars
38 (\$1,150). Quarterly income credits for this period shall not
39 exceed seven thousand nine hundred forty-two dollars (\$7,942).
40 If quarterly income credits for the period from July 1, 1993, to

1 June 30, 1994, inclusive, were reduced prior to January 1, 1995,
2 the amended income credits shall be reduced proportionately.
3 Benefits payable for periods of disability commencing on or after
4 January 1, 1995, shall be based on the provisions of Section
5 2655. For purposes of this division, income credits shall be
6 included in the term “wages.”

7 (b) (1) Any individual applying for or continuing elective
8 coverage under this section shall be requested to sign an annual
9 statement authorizing the department to verify the net profit
10 declared on his or her Internal Revenue Service Schedule SE.
11 Failure of the individual to sign a statement authorizing the
12 department to verify income shall result in the individual being
13 assigned an annual income level of four thousand six hundred
14 dollars (\$4,600) for contribution and benefit purposes.

15 (2) Any individual applying for elective coverage shall submit
16 a copy of his or her Internal Revenue Service Schedule SE filed
17 on or before April 15 of the preceding year with his or her
18 application for elective coverage in order to establish first-year
19 contributions and benefits in excess of the minimum required to
20 qualify for elective coverage.

21 (c) Any self-employed individual continuing elective coverage
22 who fails to file an Internal Revenue Service Schedule SE by
23 April 15 of each calendar year is required to remit contributions
24 based upon the last year the self-employed individual filed an
25 Internal Revenue Service Schedule SE.

26 (d) Any self-employed individual who has not yet filed an
27 Internal Revenue Service Schedule SE shall be assigned an
28 annual income level of four thousand six hundred dollars
29 (\$4,600) for contribution and benefit purposes.

30 (e) Worker contributions required under this division are
31 payable on and after the date stated in the approval of the
32 director. The director may levy assessments under this division
33 for any amount due when an elective coverage agreement has
34 been in effect for less than two complete calendar years. Chapter
35 7 (commencing with Section 1701), relating to the collection of
36 amounts due, shall apply to this section.

37 (f) No benefits shall be paid to any individual based on
38 elective coverage income credits in his or her base period if his
39 or her elective coverage agreement has been terminated under
40 paragraph (6) of subdivision (a) of Section 704.1.

1 (g) No benefits shall be paid to any individual based upon
2 remuneration deemed to have been received pursuant to this
3 section unless all contributions due with respect to all
4 remuneration deemed to have been received by that individual
5 pursuant to this section have been paid to the department.

6 (h) Notwithstanding subdivision (b) of Section 2627~~—and~~
7 ~~Sections 2627.3, 2627.5, and 2627.7~~, no benefits shall be paid to
8 any individual covered under this section, with respect to periods
9 of disability commencing on or after January 1, 1994, until he or
10 she has been unemployed and disabled for a waiting period of
11 seven consecutive days during each disability benefit period.

12 (i) Notwithstanding Section 2653, with respect to periods of
13 disability commencing on or after January 1, 1994, the maximum
14 amount of benefits payable to an individual covered under this
15 section during any one disability benefit period shall be 39 times
16 his or her weekly benefit amount, but in no case shall the total
17 amount of benefits payable be more than the total wages credited
18 to the individual during his or her disability base period. If the
19 benefit is not a multiple of one dollar (\$1), it shall be computed
20 to the next higher multiple of one dollar (\$1).

21 (j) For purposes of this section, Internal Revenue Service
22 Schedule SE is defined as Internal Revenue Service Form 1040
23 Schedule SE, or in the case of statutory employees under the
24 Internal Revenue Code, it shall be defined as Internal Revenue
25 Service Form 1040 Schedule C, or the California Income Tax
26 Return, when accompanied by Internal Revenue Service Form
27 W-2.

28 SEC. 9. Section 828 of the Unemployment Insurance Code is
29 amended to read:

30 828. Each school employer shall be responsible for a quarterly
31 local experience charge as set forth below, together with the
32 charges or penalties set by the administrator for administrative
33 indiscretions, including tardiness and error, as well as all costs
34 for benefits and administration resulting from failure to properly
35 cover an employee. The reimbursement for charges shall be
36 delinquent 30 days from the date of notice and if not paid within
37 the time required, the school employer shall pay a penalty of 10
38 percent of the unpaid amount, plus interest at the adjusted annual
39 rate established pursuant to Section 19521 of the Revenue and
40 Taxation Code from and after the date of delinquency until paid.

The local experience charge to be levied against each school employer shall be computed as follows:

Local Experience Charge

(a) The local experience charge rate shall be 10 percent for the first three complete fiscal years of participation in the School Employees Fund.

(b) The local experience charge rate for the fourth fiscal year, and each succeeding fiscal year, shall be determined by dividing the reserve balance at the end of the fiscal year which began 24 months prior to the fiscal year for which the rate is being calculated by the benefits paid for that same prior fiscal year.

The factor derived is the employer's reserve ratio. If, as of the computation date, the school employer's reserve ratio equals or exceeds that which appears on any line in column 1 of the following table, but is less than that which appears in column 2 of that table, the local experience charge rate shall be the figure appearing on that same line in column 3 of that table.

Line	Reserve Ratio	Rate
1.....	negative to 1.00	15%
2.....	1.00 to 2.00	10%
3.....	2.00 to 3.00	5%
4.....	3.00 or more	0

(Column 1)	(Column 2)	(Column 3)
Line	Reserve Ratio	Rate
1.....negative to	1.00	15%
2.....1.00 to	2.00	10%
3.....2.00 to	3.00	5%
4.....3.00 or	more	0

(c) The rate determined in subdivision (a) or (b) shall be multiplied by the employer's quarterly benefit charges to compute the local experience charges.

The administrator shall, not later than March 31 of each year, notify each school employer participating in the School

1 Employees Fund of their local experience charge rate for the
2 succeeding fiscal year.

3 SEC. 10. Section 1025 of the Unemployment Insurance Code
4 is amended to read:

5 1025. The director shall keep separate records of the amounts
6 paid into the fund by each employer in his or her own behalf, or
7 chargeable to him or her as benefits; but nothing in this division
8 shall be construed to grant any employer or his or her employees
9 prior claims or rights to the amount contributed by him or her to
10 the fund, either on his or her own account or on behalf of his or
11 her employees. The amount of employer contributions, advances
12 or reimbursements under Article 5 (commencing with Section
13 801) of Chapter 3 of this part or Section 821 ~~or 844~~, and all other
14 amounts payable to the fund, shall be pooled and available to pay
15 unemployment compensation benefits to any employee entitled
16 thereto, regardless of the source of contributions or any other
17 amounts.

18 SEC. 11. Section 1032 of the Unemployment Insurance Code
19 is amended to read:

20 1032. If it is ruled under Section 1030 or 1328 that the
21 claimant left the employer's employ voluntarily and without
22 good cause, or left under one of the following circumstances,
23 benefits paid to the claimant subsequent to the termination of
24 employment that are based upon wages earned from the
25 employer prior to the date of the termination of employment shall
26 not be charged to the account of the employer, except as
27 provided by Section 1026, unless the employer failed to furnish
28 the information specified in Section 1030 within the time limit
29 prescribed in that section or unless that ruling is reversed by a
30 reconsidered ruling:

31 (a) The claimant was discharged by reason of misconduct
32 connected with his or her work.

33 (b) The claimant was a student employed on a temporary basis
34 and whose employment began within, and ended with his or her
35 leaving to return to school at the close of, his or her vacation
36 period.

37 (c) The claimant left the employer's employ to accompany his
38 or her spouse or domestic partner to or join her or him at a place
39 from which it is impractical to commute to the employment, to
40 which a transfer of the claimant by the employer is not available.

1 (d) The claimant left the employer's employ to protect his or
2 her children or himself or herself from domestic violence abuse.

3 (e) The claimant left the employer's employ to take a
4 substantially better job.

5 (f) The claimant's discharge or quitting from his or her most
6 recent employer was the result of an irresistible compulsion to
7 use or consume intoxicants including alcoholic beverages.

8 For purposes of this section and Section 1030 "spouse"
9 includes a person to whom marriage is imminent.

10 (g) *A licensee or facility, as defined in Section ____ of the*
11 *Health and Safety Code, is not liable for denying employment to,*
12 *or terminating employment of, any employee if the licensee or*
13 *facility is required by law to deny or terminate employment of*
14 *that employee based on written notification from the department*
15 *that the employee has a prior criminal conviction or is*
16 *determined unsuitable for employment because of any of the*
17 *following:*

18 (1) *He or she violated, or aided or permitted the violation by*
19 *any other person of, any provisions of this chapter or of any rules*
20 *or regulations promulgated under this chapter.*

21 (2) *He or she engaged in conduct which is inimical to the*
22 *health, morals, welfare, or safety of either an individual in, or*
23 *receiving services from, the facility, or the people of the State of*
24 *California.*

25 (3) *He or she has been denied an exemption to work or to be*
26 *present in a facility, when he or she has been convicted of a*
27 *crime as defined in Section 1569.17 of the Health and Safety*
28 *Code.*

29 (4) *He or she engaged in any other conduct which would*
30 *constitute a basis for disciplining a licensee.*

31 (5) *He or she engaged in acts of financial malfeasance*
32 *concerning the operation of a facility, including, but not limited*
33 *to, improper use or embezzlement of client moneys and property*
34 *or fraudulent appropriation for personal gain of facility moneys*
35 *and property, or willful or negligent failure to provide services*
36 *for the care of clients.*

37 SEC. 12. Section 1111 of the Unemployment Insurance Code
38 is amended to read:

39 1111. The director for good cause may extend for not to
40 exceed 60 days the time for making a return or report or paying

1 without penalty any amount required to be paid under this
2 division *or Division 6 (commencing with Section 13000)*. Any
3 employer to whom an extension is granted and who pays the
4 amount required within the period for which the extension is
5 granted shall pay, in addition to the contributions, interest at the
6 adjusted annual rate and by the method established pursuant to
7 Section 19521 of the Revenue and Taxation Code from the date
8 on which the payment would have been delinquent without the
9 extension until the date of payment.

10 SEC. 13. Section 1111.5 of the Unemployment Insurance
11 Code is amended to read:

12 1111.5. If the Governor declares a state of emergency, the
13 director may extend the time requirements for filing returns or
14 reports pursuant to Section 1088 and the time requirement for
15 payment of employer and worker contributions pursuant to
16 Section 1110 *and withholdings pursuant to Section 13021*. The
17 extension granted by the director pursuant to this section shall
18 apply only to employers prevented by the conditions giving rise
19 to the state of emergency from timely filing their returns or
20 reports, or from timely payment of the taxes due.

21 SEC. 14. Section 1142 of the Unemployment Insurance Code
22 is amended to read:

23 1142. (a) If the director finds that any employer or any
24 employee, officer, or agent of any employer, in submitting facts
25 concerning the termination of a claimant's employment pursuant
26 to Section 1030, 1327, 3654, 3701, 4654, or 4701, willfully
27 makes a false statement or representation or willfully fails to
28 report a material fact concerning that termination, the director
29 shall assess a penalty against the employer in ~~an amount not less~~
30 ~~than 2 nor more than 10 times the weekly benefit amount of that~~
31 ~~claimant~~ *the amount of 10 times the highest weekly benefit*
32 *amount, as provided in Section 1280.*

33 (b) If the director finds that any employer or any employee,
34 officer, or agent of any employer, in submitting a written
35 statement concerning the reasonable assurance, as defined in
36 subdivision (g) of Section 1253.3, of a claimant's reemployment,
37 as required by subdivisions (b), (c), and (i) of Section 1253.3,
38 willfully makes a false statement or representation or willfully
39 fails to report a material fact concerning the reasonable assurance
40 of that reemployment, the director shall assess a penalty against

1 the employer in an amount not less than two nor more than 10
2 times the weekly benefit amount of that claimant.

3 (c) This article, Article 9 (commencing with Section 1176) of
4 this chapter with respect to refunds, and Chapter 7 (commencing
5 with Section 1701) of this part with respect to collections shall
6 apply to the assessments provided by this section. Penalties
7 collected under this section shall be deposited in the contingent
8 fund.

9 SEC. 15. Article 8.5 (commencing with Section 1150) of
10 Chapter 4 of Part 1 of Division 1 of the Unemployment Insurance
11 Code is repealed.

12 SEC. 16. Section 1222 of the Unemployment Insurance Code
13 is amended to read:

14 1222. Within 30 days of service of any notice of assessment
15 or denial of claim for refund or credit under Sections 803, 821,
16 ~~844~~, or 991, or of any notice under Sections 704.1, 1035, 1055,
17 1127.5, 1131, 1142, 1143, 1144, 1180, 1184, 1733, and 1735,
18 any employing unit or other person given the notice, or any
19 employing unit affected by a granting or denial of a transfer of
20 reserve account, may file a petition for review or reassessment
21 with an administrative law judge. The administrative law judge
22 may for good cause grant an additional 30 days for the filing of a
23 petition. If a petition for reassessment is not filed within the
24 30-day period, or within the additional period granted by the
25 administrative law judge, an assessment is final at the expiration
26 of the period. If a petition for review of a termination of elective
27 coverage under Section 704.1 is not filed within the 30-day
28 period, or within the additional period granted by the
29 administrative law judge, the termination is final at the expiration
30 of the period. If the director fails to serve notice of his or her
31 action within 60 days after a claim for refund or credit is filed,
32 the person or employing unit may consider the claim denied and
33 file a petition with an administrative law judge.

34 SEC. 17. Section 1256.1 is added to the Unemployment
35 Insurance Code, to read:

36 1256.1. (a) An individual is disqualified for unemployment
37 compensation benefits if the director finds that he or she has been
38 discharged for gross misconduct connected with his or her most
39 recent work.

1 (b) Gross misconduct is defined as a deliberate, willful, or
2 wanton action that the individual knows or should have known
3 would expose the employer, employee, or customer, or clients to
4 substantial risk or harm.

5 (c) For purposes of this section, gross misconduct is comprised
6 of any of the following actions to which the individual admits, or
7 for which the individual was found guilty by a court of law, or
8 for which it is found by the preponderance of the evidence the
9 individual committed:

10 (1) Failure to divulge medical conditions that statutorily
11 preclude continued employment without reasonable
12 accommodation.

13 (2) Failure to follow employer prescribed care of patients that
14 results in mistreatment, or endangers the health or safety of a
15 patient or client.

16 (3) Failure to follow employer prescribed care of patients that
17 imposes financial or legal liability to the employer.

18 (4) Failure to follow safety rules that result in serious physical
19 injury to, or the destruction of property of, the individual, others,
20 or the employer.

21 (5) The theft or embezzlement of property, goods, or money,
22 when the value of the stolen item or items amounts to one
23 thousand dollars (\$1,000) or more.

24 (6) Arson.

25 (7) Falsification or misuse of business records that resulted in
26 financial harm or loss to the employer.

27 (8) Falsification or misuse of business records that jeopardized
28 another employee's job.

29 (9) Destruction of employer or employee property when the
30 property loss or damage amounts to one thousand dollars
31 (\$1,000) or more.

32 SEC. 18. Section 1256.1 of the Unemployment Insurance
33 Code is amended and renumbered to read:

34 ~~1256.1.~~

35 1256.2. (a) If the employment of an individual is terminated
36 due to his absence from work for a period in excess of 24 hours
37 because of his incarceration and he is convicted of the offense for
38 which he was incarcerated or of any lesser included offense, he
39 shall be deemed to have left his work voluntarily without good
40 cause for the purposes of Section 1256. A plea or verdict of

1 guilty, or a conviction following a plea of nolo contendere, is
2 deemed to be a conviction within the meaning of this section
3 irrespective of whether an order granting probation or other order
4 is made suspending the imposition of the sentence or whether
5 sentence is imposed but execution thereof is suspended.

6 (b) Notwithstanding any other provision of this division, any
7 determination made prior to a conviction or other final
8 disposition of the criminal complaint or accusation by the court
9 as to whether an individual who is terminated due to his absence
10 from work because of incarceration voluntarily leaves without
11 good cause may, if no appeal has been taken from the
12 determination, for good cause be reconsidered by the department
13 during the benefit year or extended duration period to which the
14 determination relates. Notice of any reconsidered determination
15 shall be given to the claimant and any employer or employing
16 unit which received notice under Section 1328 or 1331, and the
17 claimant or employer may appeal therefrom in the manner
18 prescribed in Section 1328.

19 SEC. 19. Section 1256.2 of the Unemployment Insurance
20 Code is amended and renumbered to read:

21 ~~1256.2.~~

22 1256.3. (a) Except as otherwise provided in subdivision (b),
23 an individual who terminates his or her employment shall not be
24 deemed to have left his or her most recent work without good
25 cause if his or her employer deprived the individual of equal
26 employment opportunities on any basis listed in subdivision (a)
27 of Section 12940 of the Government Code, as those bases are
28 defined in Sections 12926 and 12926.1 of the Government Code.

29 (b) Subdivision (a) does not apply to the following:

30 (1) A deprivation of equal employment opportunities that is
31 based upon a bona fide occupational qualification or applicable
32 security regulations established by the United States or this state,
33 specifically, as provided in Section 12940 of the Government
34 Code.

35 (2) An individual who fails to make reasonable efforts to
36 provide the employer with an opportunity to remove any
37 unintentional deprivation of the individual's equal employment
38 opportunities.

39 SEC. 20. Section 1256.3 of the Unemployment Insurance
40 Code is amended and renumbered to read:

1 ~~1256.3.~~

2 1256.6. For the purposes of Sections 1256, 1256.1,~~and~~
3 1256.2, ~~1256.3, 1256.4, and 1256.5~~, “most recent work” is that
4 work in which a claimant last performed compensated services:

5 (a) Prior to and nearest the date of filing a valid new,
6 reopened, or additional claim for unemployment compensation
7 benefits, a valid primary, reopened, or additional claim for
8 extended duration benefits, or a valid application, or reopened or
9 additional claim for federal-state extended benefits.

10 (b) During the calendar week for which a continued claim is
11 filed.

12 SEC. 21. Section 1256.5 of the Unemployment Insurance
13 Code is amended and renumbered to read:

14 ~~1256.5.~~

15 1256.4. (a) An individual is disqualified for unemployment
16 compensation benefits if either of the following occur:

17 (1) The director finds that he or she was discharged from his
18 or her most recent work for chronic absenteeism due to
19 intoxication or reporting to work while intoxicated or using
20 intoxicants on the job, or gross neglect of duty while intoxicated,
21 when any of these incidents is caused by an irresistible
22 compulsion to use or consume intoxicants, including alcoholic
23 beverages.

24 (2) He or she otherwise left his or her most recent employment
25 for reasons caused by an irresistible compulsion to use or
26 consume intoxicants, including alcoholic beverages.

27 (b) An individual disqualified under this section, under a
28 determination transmitted to him or her by the department, is
29 ineligible to receive unemployment compensation benefits under
30 this part for the week in which the separation occurs, and
31 continuing *for five weeks and* until he or she has performed
32 service in bona fide employment for which remuneration is
33 received equal to or in excess of five times his or her weekly
34 benefit amount, or until a physician or authorized treatment
35 program administrator certifies that the individual has entered
36 into and is continuing in, or has completed, a treatment program
37 for his or her condition and is able to return to employment.

38 (c) The department shall advise each individual disqualified
39 under this section of the benefits available under Part 2
40 (commencing with Section 2601), and, if assistance in locating

1 an appropriate treatment program is requested, refer the
2 individual to the appropriate county drug or alcohol program
3 administrator.

4 SEC. 22. Section 1256.7 of the Unemployment Insurance
5 Code is amended and renumbered to read:

6 ~~1256.7.~~

7 *1256.5.* An individual shall be deemed to have left his or her
8 most recent work with good cause if the director finds that he or
9 she leaves employment because of sexual harassment, provided
10 the individual has taken reasonable steps to preserve the working
11 relationship. No steps shall be required if the director finds it
12 would have been futile. For purposes of this subdivision,
13 unwelcome sexual advances, requests for sexual favors, and
14 other verbal, visual, or physical conduct of a sexual nature
15 constitutes sexual harassment when any of the following occur:

16 (1) Submission to the conduct is made either explicitly or
17 implicitly a term or condition of an individual's employment.

18 (2) Submission to or rejection of the conduct by an individual
19 is used as the basis for employment decisions affecting the
20 individual.

21 (3) The conduct has the purpose or effect of unreasonably
22 interfering with an individual's work performance or creating an
23 intimidating, hostile, or offensive working environment.

24 Findings of fact and law by the director shall not collaterally
25 estop adjudication of the issue of sexual harassment in another
26 forum.

27 SEC. 23. Section 1260 of the Unemployment Insurance Code
28 is amended to read:

29 1260. (a) An individual disqualified under Section 1256,
30 under a determination transmitted to him or her by the
31 department, is ineligible to receive unemployment compensation
32 benefits for the week in which the act that causes his or her
33 disqualification occurs and continuing *for five weeks and* until he
34 or she has, subsequent to the act that causes disqualification and
35 his or her registration for work, performed service in bona fide
36 employment for which remuneration is received equal to or in
37 excess of five times his or her weekly benefit amount.

38 (b) *An individual disqualified under Section 1256.1, under a*
39 *determination transmitted to him or her by the department, shall*
40 *forfeit any rights to benefits for the week in which the act that*

1 *causes his or her disqualification occurs, and for the 51*
2 *consecutive calendar weeks which immediately follow that week.*

3 (c) An individual disqualified under subdivision (b) of Section
4 1257, under a determination transmitted to him or her by the
5 department, is ineligible to receive unemployment compensation
6 benefits for not less than 2 nor more than 10 consecutive weeks
7 beginning with:

8 (1) The week in which the cause of his or her disqualification
9 occurs, if he or she registers for work in that week.

10 (2) The week subsequent to the occurrence of the cause of his
11 or her disqualification in which he or she first registers for work,
12 if he or she does not register for work in the week in which the
13 cause of his or her disqualification occurs.

14 ~~(e)~~

15 (d) An individual disqualified under subdivision (a) of Section
16 1257, under a determination transmitted to him or her by the
17 department, and who was not paid any benefit amount as a result
18 of his or her false statement or representation, is ineligible to
19 receive unemployment compensation benefits for two weeks
20 commencing with the week in which the determination is mailed
21 to or personally served upon him or her, or any subsequent week,
22 for which he or she is first otherwise in all respects eligible for
23 unemployment compensation benefits and for not more than 13
24 subsequent weeks for which he or she is otherwise in all respects
25 eligible for unemployment compensation benefits. No
26 disqualification under this subdivision shall be applied to any
27 week if all or any portion of the week is beyond the three-year
28 period next succeeding the date of the mailing or personal service
29 of the determination. This subdivision shall not apply to an
30 individual convicted under Section 2101.

31 ~~(d)~~

32 (e) An individual disqualified under subdivision (a) of Section
33 1257, under a determination transmitted to him or her by the
34 department, and who was paid any benefit amount as a result of
35 his or her false statement or representation, is ineligible to
36 receive unemployment compensation benefits for five weeks
37 commencing with the week in which the determination is mailed
38 to or personally served upon him or her, or any subsequent week,
39 for which he or she is first otherwise in all respects eligible for
40 unemployment compensation benefits and for not more than 10

subsequent weeks for which he or she is otherwise in all respects eligible for unemployment compensation benefits. No disqualification under this subdivision shall be applied to any week if all or any portion of the week is beyond the three-year period next succeeding the date of the mailing or personal service of the determination. This subdivision shall not apply to an individual convicted under Section 2101.

~~(e)~~

(f) Notwithstanding subdivision (c) or (d), an individual who is subject to a disqualification that is imposed under subdivision (b) of Section 1257 may, if he or she is otherwise in all respects eligible for unemployment compensation benefits, concurrently serve a disqualification imposed under subdivision (a) of Section 1257.

SEC. 24. Section 1261 of the Unemployment Insurance Code is amended to read:

1261. When successive disqualifications under Section 1257 occur, the director may extend the period of ineligibility provided for in Section 1260 for an additional period not to exceed ~~eight~~ 11 additional weeks.

SEC. 25. Section 1280 of the Unemployment Insurance Code is repealed.:

~~1280. (a) For any new claims filed with an effective date on or after January 1, 1992, and prior to September 11, 2001, an individual's weekly benefit amount is the amount appearing in column B in the following table opposite that wage bracket in column A that contains the amount of wages paid to the individual for employment by employers during the quarter of his or her base period in which his or her wages were the highest.~~

————— A	B
Amount of wages in	Weekly benefit
—highest quarter	amount
\$900.00— 948.99.....	40
— 949.00— 974.99.....	41
— 975.00— 1,000.99.....	42
1,001.00— 1,026.99.....	43
1,027.00— 1,052.99.....	44
1,053.00— 1,078.99.....	45
1,079.00— 1,117.99.....	46

1	A	B
2	Amount of wages in	Weekly benefit
3	—highest quarter	amount
4	1,118.00–1,143.99.....	–47
5	1,144.00–1,169.99.....	–48
6	1,170.00–1,195.99.....	–49
7	1,196.00–1,221.99.....	–50
8	1,222.00–1,247.99.....	–51
9	1,248.00–1,286.99.....	–52
10	1,287.00–1,312.99.....	–53
11	1,313.00–1,338.99.....	–54
12	1,339.00–1,364.99.....	–55
13	1,365.00–1,403.99.....	–56
14	1,404.00–1,429.99.....	–57
15	1,430.00–1,455.99.....	–58
16	1,456.00–1,494.99.....	–59
17	1,495.00–1,520.99.....	–60
18	1,521.00–1,546.99.....	–61
19	1,547.00–1,585.99.....	–62
20	1,586.00–1,611.99.....	–63
21	1,612.00–1,637.99.....	–64
22	1,638.00–1,676.99.....	–65
23	1,677.00–1,702.99.....	–66
24	1,703.00–1,741.99.....	–67
25	1,742.00–1,767.99.....	–68
26	1,768.00–1,806.99.....	–69
27	1,807.00–1,832.99.....	–70
28	1,833.00–1,871.99.....	–71
29	1,872.00–1,897.99.....	–72
30	1,898.00–1,936.99.....	–73
31	1,937.00–1,975.99.....	–74
32	1,976.00–2,001.99.....	–75
33	2,002.00–2,040.99.....	–76
34	2,041.00–2,066.99.....	–77
35	2,067.00–2,105.99.....	–78
36	2,106.00–2,144.99.....	–79
37	2,145.00–2,170.99.....	–80
38	2,171.00–2,209.99.....	–81
39	2,210.00–2,248.99.....	–82
40	2,249.00–2,287.99.....	–83

1	A	B
2	Amount of wages in	Weekly benefit
3	—highest quarter	amount
4	2,288.00–2,326.99.....	–84
5	2,327.00–2,352.99.....	–85
6	2,353.00–2,391.99.....	–86
7	2,392.00–2,430.99.....	–87
8	2,431.00–2,469.99.....	–88
9	2,470.00–2,508.99.....	–89
10	2,509.00–2,547.99.....	–90
11	2,548.00–2,586.99.....	–91
12	2,587.00–2,625.99.....	–92
13	2,626.00–2,664.99.....	–93
14	2,665.00–2,703.99.....	–94
15	2,704.00–2,742.99.....	–95
16	2,743.00–2,781.99.....	–96
17	2,782.00–2,820.99.....	–97
18	2,821.00–2,859.99.....	–98
19	2,860.00–2,898.99.....	–99
20	2,899.00–2,937.99.....	100
21	2,938.00–2,989.99.....	101
22	2,990.00–3,028.99.....	102
23	3,029.00–3,067.99.....	103
24	3,068.00–3,106.99.....	104
25	3,107.00–3,158.99.....	105
26	3,159.00–3,197.99.....	106
27	3,198.00–3,236.99.....	107
28	3,237.00–3,288.99.....	108
29	3,289.00–3,327.99.....	109
30	3,328.00–3,379.99.....	110
31	3,380.00–3,418.99.....	111
32	3,419.00–3,470.99.....	112
33	3,471.00–3,509.99.....	113
34	3,510.00–3,561.99.....	114
35	3,562.00–3,600.99.....	115
36	3,601.00–3,652.99.....	116
37	3,653.00–3,704.99.....	117
38	3,705.00–3,743.99.....	118
39	3,744.00–3,795.99.....	119
40	3,796.00–3,847.99.....	120

1	A	B
2	Amount of wages in	Weekly benefit
3	—highest quarter	amount
4	3,848.00–3,899.99.....	121
5	3,900.00–3,938.99.....	122
6	3,939.00–3,990.99.....	123
7	3,991.00–4,042.99.....	124
8	4,043.00–4,079.99.....	125
9	4,080.00–4,116.99.....	126
10	4,117.00–4,153.99.....	127
11	4,154.00–4,190.99.....	128
12	4,191.00–4,227.99.....	129
13	4,228.00–4,264.99.....	130
14	4,265.00–4,301.99.....	131
15	4,302.00–4,338.99.....	132
16	4,339.00–4,375.99.....	133
17	4,376.00–4,412.99.....	134
18	4,413.00–4,449.99.....	135
19	4,450.00–4,486.99.....	136
20	4,487.00–4,523.99.....	137
21	4,524.00–4,560.99.....	138
22	4,561.00–4,597.99.....	139
23	4,598.00–4,634.99.....	140
24	4,635.00–4,671.99.....	141
25	4,672.00–4,708.99.....	142
26	4,709.00–4,745.99.....	143
27	4,746.00–4,782.99.....	144
28	4,783.00–4,819.99.....	145
29	4,820.00–4,856.99.....	146
30	4,857.00–4,893.99.....	147
31	4,894.00–4,930.99.....	148
32	4,931.00–4,966.99.....	149

33

34 If the amount of wages paid an individual for employment by

35 employers exceeds four thousand nine hundred sixty-six dollars

36 and ninety-nine cents (\$4,966.99) in the quarter of his or her base

37 period in which these wages were highest, the individual's

38 weekly benefit amount shall be 39 percent of these wages

39 divided by 13, but in no case shall this amount exceed two

40 hundred thirty dollars (\$230). If the benefit payable under this

subdivision is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(b) Notwithstanding subdivision (a), for existing claims on or after September 11, 2001, provided that the unemployment benefits have not been exhausted as of September 11, 2001, and for all new claims filed with an effective date beginning on or after September 11, 2001, and prior to January 1, 2003, an individual's weekly benefit amount is the amount for weeks of unemployment beginning on or after September 11, 2001, appearing in column B in the following table opposite that wage bracket in column A that contains the amount of wages paid to the individual for employment by employers during the quarter of his or her base period in which his or her wages were the highest.

A	B
Amount of wages in —highest quarter	Weekly benefit amount
\$900.00—948.99.....	40
949.00—974.99.....	41
975.00—1,000.99.....	42
1,001.00—1,026.99.....	43
1,027.00—1,052.99.....	44
1,053.00—1,078.99.....	45
1,079.00—1,117.99.....	46
1,118.00—1,143.99.....	47
1,144.00—1,169.99.....	48
1,170.00—1,195.99.....	49
1,196.00—1,221.99.....	50
1,222.00—1,247.99.....	51
1,248.00—1,286.99.....	52
1,287.00—1,312.99.....	53
1,313.00—1,338.99.....	54
1,339.00—1,364.99.....	55
1,365.00—1,403.99.....	56
1,404.00—1,429.99.....	57
1,430.00—1,455.99.....	58
1,456.00—1,494.99.....	59
1,495.00—1,520.99.....	60
1,521.00—1,546.99.....	61

1	A	B
2	Amount of wages in	Weekly benefit
3	—highest quarter	amount
4	1,547.00–1,585.99.....	–62
5	1,586.00–1,611.99.....	–63
6	1,612.00–1,637.99.....	–64
7	1,638.00–1,676.99.....	–65
8	1,677.00–1,702.99.....	–66
9	1,703.00–1,741.99.....	–67
10	1,742.00–1,767.99.....	–68
11	1,768.00–1,806.99.....	–69
12	1,807.00–1,832.99.....	–70
13	1,833.00–1,871.99.....	–71
14	1,872.00–1,897.99.....	–72
15	1,898.00–1,936.99.....	–73
16	1,937.00–1,975.99.....	–74
17	1,976.00–2,001.99.....	–75
18	2,002.00–2,040.99.....	–76
19	2,041.00–2,066.99.....	–77
20	2,067.00–2,105.99.....	–78
21	2,106.00–2,144.99.....	–79
22	2,145.00–2,170.99.....	–80
23	2,171.00–2,209.99.....	–81
24	2,210.00–2,248.99.....	–82
25	2,249.00–2,287.99.....	–83
26	2,288.00–2,326.99.....	–84
27	2,327.00–2,352.99.....	–85
28	2,353.00–2,391.99.....	–86
29	2,392.00–2,430.99.....	–87
30	2,431.00–2,469.99.....	–88
31	2,470.00–2,508.99.....	–89
32	2,509.00–2,547.99.....	–90
33	2,548.00–2,586.99.....	–91
34	2,587.00–2,625.99.....	–92
35	2,626.00–2,664.99.....	–93
36	2,665.00–2,703.99.....	–94
37	2,704.00–2,742.99.....	–95
38	2,743.00–2,781.99.....	–96
39		

If the amount of wages paid an individual for employment by employers exceeds two thousand seven hundred eighty-one dollars and ninety-nine cents (\$2,781.99) in the quarter of his or her base period in which these wages were highest, the individual's weekly benefit amount shall be 45 percent of these wages divided by 13, but in no case may this amount exceed three hundred thirty dollars (\$330).

(e) For new claims filed with an effective date beginning on or after January 1, 2003, an individual's weekly benefit amount is the amount appearing in column B in the following table opposite the wage bracket in column A that contains the wages paid to the individual for employment by employers during the quarter of his or her base period in which his or her wages were the highest.

A	B
Amount of wages in —highest quarter	Weekly benefit amount
\$900.00—948.99.....	40
949.00—974.99.....	41
975.00—1,000.99.....	42
1,001.00—1,026.99.....	43
1,027.00—1,052.99.....	44
1,053.00—1,078.99.....	45
1,079.00—1,117.99.....	46
1,118.00—1,143.99.....	47
1,144.00—1,169.99.....	48
1,170.00—1,195.99.....	49
1,196.00—1,221.99.....	50
1,222.00—1,247.99.....	51
1,248.00—1,286.99.....	52
1,287.00—1,312.99.....	53
1,313.00—1,338.99.....	54
1,339.00—1,364.99.....	55
1,365.00—1,403.99.....	56
1,404.00—1,429.99.....	57
1,430.00—1,455.99.....	58
1,456.00—1,494.99.....	59
1,495.00—1,520.99.....	60
1,521.00—1,546.99.....	61

1	A	B
2	Amount of wages in	Weekly benefit
3	—highest quarter	amount
4	1,547.00–1,585.99.....	–62
5	1,586.00–1,611.99.....	–63
6	1,612.00–1,637.99.....	–64
7	1,638.00–1,676.99.....	–65
8	1,677.00–1,702.99.....	–66
9	1,703.00–1,741.99.....	–67
10	1,742.00–1,767.99.....	–68
11	1,768.00–1,806.99.....	–69
12	1,807.00–1,832.99.....	–70

13

14 If the amount of wages paid an individual for employment by
 15 employers exceeds one thousand eight hundred thirty-two dollars
 16 and ninety-nine cents (\$1,832.99) in the quarter of his or her base
 17 period in which these wages were highest, the individual's
 18 weekly benefit amount shall be 50 percent of these wages
 19 divided by 13, but in no case shall this amount exceed the
 20 applicable of the following:

21 (1) For new claims filed with an effective date beginning on or
 22 after January 1, 2003, and before January 1, 2004, three hundred
 23 seventy dollars (\$370):

24 (2) For new claims filed with an effective date beginning on or
 25 after January 1, 2004, and before January 1, 2005, four hundred
 26 ten dollars (\$410):

27 (3) For new claims filed with an effective date beginning on or
 28 after January 1, 2005, four hundred fifty dollars (\$450):

29 If the benefit payable under this subdivision is not a multiple of
 30 one dollar (\$1), it shall be computed to the next higher multiple
 31 of one dollar (\$1):

32 SEC. 26. Section 1280 is added to the Unemployment
 33 Insurance Code, to read:

34 1280. (a) For new claims filed with an effective date
 35 beginning on or after January 1, 2006, an individual's weekly
 36 benefit amount is the amount appearing in column B in the
 37 following table opposite the wage bracket in column A that
 38 contains the wages paid to the individual for employment by
 39 employers during the quarter of his or her base period in which
 40 his or her wages were the highest.

If the benefit payable under this subdivision is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

A	B
Amount of wages in highest quarter	Weekly benefit amount
1,430.00–1,455.99.....	58
1,456.00–1,494.99.....	59
1,495.00–1,520.99.....	60
1,521.00–1,546.99.....	61
1,547.00–1,585.99.....	62
1,586.00–1,611.99.....	63
1,612.00–1,637.99.....	64
1,638.00–1,676.99.....	65
1,677.00–1,702.99.....	66
1,703.00–1,741.99.....	67
1,742.00–1,767.99.....	68
1,768.00–1,806.99.....	69
1,807.00–1,832.99.....	70
1,833.00–1,846.00.....	71
1,846.01–1,872.00.....	72
1,872.01–1,898.00.....	73
1,898.01–1,924.00.....	74
1,924.01–1,950.00.....	75
1,950.01–1,976.00.....	76
1,976.01–2,002.00.....	77
2,002.01–2,028.00.....	78
2,028.01–2,054.00.....	79
2,054.01–2,080.00.....	80
2,080.01–2,106.00.....	81
2,106.01–2,132.00.....	82
2,132.01–2,158.00.....	83
2,158.01–2,184.00.....	84
2,184.01–2,210.00.....	85
2,210.01–2,236.00.....	86
2,236.01–2,262.00.....	87
2,262.01–2,288.00.....	88
2,288.01–2,314.00.....	89
2,314.01–2,340.00.....	90

1	A	B
2	Amount of wages in	Weekly benefit
3	highest quarter	amount
4	2,340.01–2,366.00.....	91
5	2,366.01–2,392.00.....	92
6	2,392.01–2,418.00.....	93
7	2,418.01–2,444.00.....	94
8	2,444.01–2,470.00.....	95
9	2,470.01–2,496.00.....	96
10	2,496.01–2,522.00.....	97
11	2,522.01–2,548.00.....	98
12	2,548.01–2,574.00.....	99
13	2,574.01–2,600.00.....	100
14	2,600.01–2,626.00.....	101
15	2,626.01–2,652.00.....	102
16	2,652.01–2,678.00.....	103
17	2,678.01–2,704.00.....	104
18	2,704.01–2,730.00.....	105
19	2,730.01–2,756.00.....	106
20	2,756.01–2,782.00.....	107
21	2,782.01–2,808.00.....	108
22	2,808.01–2,834.00.....	109
23	2,834.01–2,860.00.....	110
24	2,860.01–2,886.00.....	111
25	2,886.01–2,912.00.....	112
26	2,912.01–2,938.00.....	113
27	2,938.01–2,964.00.....	114
28	2,964.01–2,990.00.....	115
29	2,990.01–3,016.00.....	116
30	3,016.01–3,042.00.....	117
31	3,042.01–3,068.00.....	118
32	3,068.01–3,094.00.....	119
33	3,094.01–3,120.00.....	120
34	3,120.01–3,146.00.....	121
35	3,146.01–3,172.00.....	122
36	3,172.01–3,198.00.....	123
37	3,198.01–3,224.00.....	124
38	3,224.01–3,250.00.....	125
39	3,250.01–3,276.00.....	126
40	3,276.01–3,302.00.....	127

1	A	B
2	Amount of wages in	Weekly benefit
3	highest quarter	amount
4	3,302.01–3,328.00.....	128
5	3,328.01–3,354.00.....	129
6	3,354.01–3,380.00.....	130
7	3,380.01–3,406.00.....	131
8	3,406.01–3,432.00.....	132
9	3,432.01–3,458.00.....	133
10	3,458.01–3,484.00.....	134
11	3,484.01–3,510.00.....	135
12	3,510.01–3,536.00.....	136
13	3,536.01–3,562.00.....	137
14	3,562.01–3,588.00.....	138
15	3,588.01–3,614.00.....	139
16	3,614.01–3,640.00.....	140
17	3,640.01–3,666.00.....	141
18	3,666.01–3,692.00.....	142
19	3,692.01–3,718.00.....	143
20	3,718.01–3,744.00.....	144
21	3,744.01–3,770.00.....	145
22	3,770.01–3,796.00.....	146
23	3,796.01–3,822.00.....	147
24	3,822.01–3,848.00.....	148
25	3,848.01–3,874.00.....	149
26	3,874.01–3,900.00.....	150
27	3,900.01–3,926.00.....	151
28	3,926.01–3,952.00.....	152
29	3,952.01–3,978.00.....	153
30	3,978.01–4,004.00.....	154
31	4,004.01–4,030.00.....	155
32	4,030.01–4,056.00.....	156
33	4,056.01–4,082.00.....	157
34	4,082.01–4,108.00.....	158
35	4,108.01–4,134.00.....	159
36	4,134.01–4,160.00.....	160
37	4,160.01–4,186.00.....	161
38	4,186.01–4,212.00.....	162
39	4,212.01–4,238.00.....	163
40	4,238.01–4,264.00.....	164

1	A	B
2	Amount of wages in	Weekly benefit
3	highest quarter	amount
4	4,264.01–4,290.00.....	165
5	4,290.01–4,316.00.....	166
6	4,316.01–4,342.00.....	167
7	4,342.01–4,368.00.....	168
8	4,368.01–4,394.00.....	169
9	4,394.01–4,420.00.....	170
10	4,420.01–4,446.00.....	171
11	4,446.01–4,472.00.....	172
12	4,472.01–4,498.00.....	173
13	4,498.01–4,524.00.....	174
14	4,524.01–4,550.00.....	175
15	4,550.01–4,576.00.....	176
16	4,576.01–4,602.00.....	177
17	4,602.01–4,628.00.....	178
18	4,628.01–4,654.00.....	179
19	4,654.01–4,680.00.....	180
20	4,680.01–4,706.00.....	181
21	4,706.01–4,732.00.....	182
22	4,732.01–4,758.00.....	183
23	4,758.01–4,784.00.....	184
24	4,784.01–4,810.00.....	185
25	4,810.01–4,836.00.....	186
26	4,836.01–4,862.00.....	187
27	4,862.01–4,888.00.....	188
28	4,888.01–4,914.00.....	189
29	4,914.01–4,940.00.....	190
30	4,940.01–4,966.00.....	191
31	4,966.01–4,992.00.....	192
32	4,992.01–5,018.00.....	193
33	5,018.01–5,044.00.....	194
34	5,044.01–5,070.00.....	195
35	5,070.01–5,096.00.....	196
36	5,096.01–5,122.00.....	197
37	5,122.01–5,148.00.....	198
38	5,148.01–5,174.00.....	199
39	5,174.01–5,200.00.....	200
40	5,200.01–5,226.00.....	201

1	A	B
2	Amount of wages in	Weekly benefit
3	highest quarter	amount
4	5,226.01–5,252.00.....	202
5	5,252.01–5,278.00.....	203
6	5,278.01–5,304.00.....	204
7	5,304.01–5,330.00.....	205
8	5,330.00–5,356.00.....	206
9	5,356.01–5,382.00.....	207
10	5,382.01–5,408.00.....	208
11	5,408.01–5,434.00.....	209
12	5,434.01–5,460.00.....	210
13	5,460.01–5,486.00.....	211
14	5,486.01–5,512.00.....	212
15	5,512.01–5,538.00.....	213
16	5,538.01–5,564.00.....	214
17	5,564.01–5,590.00.....	215
18	5,590.01–5,616.00.....	216
19	5,616.01–5,642.00.....	217
20	5,642.01–5,668.00.....	218
21	5,668.01–5,694.00.....	219
22	5,694.01–5,720.00.....	220
23	5,720.01–5,746.00.....	221
24	5,746.01–5,772.00.....	222
25	5,772.01–5,798.00.....	223
26	5,798.01–5,824.00.....	224
27	5,824.01–5,850.00.....	225
28	5,850.01–5,876.00.....	226
29	5,876.01–5,902.00.....	227
30	5,902.01–5,928.00.....	228
31	5,928.01–5,954.00.....	229
32	5,954.01–5,980.00.....	230
33	5,980.01–6,006.00.....	231
34	6,006.01–6,032.00.....	232
35	6,032.01–6,058.00.....	233
36	6,058.01–6,084.00.....	234
37	6,084.01–6,110.00.....	235
38	6,110.01–6,136.00.....	236
39	6,136.01–6,162.00.....	237
40	6,162.01–6,188.00.....	238

1	A	B
2	Amount of wages in	Weekly benefit
3	highest quarter	amount
4	6,188.01–6,214.00.....	239
5	6,214.01–6,240.00.....	240
6	6,240.01–6,266.00.....	241
7	6,266.01–6,292.00.....	242
8	6,292.01–6,318.00.....	243
9	6,318.01–6,344.00.....	244
10	6,344.01–6,370.00.....	245
11	6,370.01–6,396.00.....	246
12	6,396.01–6,422.00.....	247
13	6,422.01–6,448.00.....	248
14	6,448.01–6,474.00.....	249
15	6,474.01–6,500.00.....	250
16	6,500.01–6,526.00.....	251
17	6,526.01–6,552.00.....	252
18	6,552.01–6,578.00.....	253
19	6,578.01–6,604.00.....	254
20	6,604.01–6,630.00.....	255
21	6,630.01–6,656.00.....	256
22	6,656.01–6,682.00.....	257
23	6,682.01–6,708.00.....	258
24	6,708.01–6,734.00.....	259
25	6,734.01–6,760.00.....	260
26	6,760.01–6,786.00.....	261
27	6,786.01–6,812.00.....	262
28	6,812.01–6,838.00.....	263
29	6,838.01–6,864.00.....	264
30	6,864.01–6,890.00.....	265
31	6,890.01–6,916.00.....	266
32	6,916.01–6,942.00.....	267
33	6,942.01–6,968.00.....	268
34	6,968.01–6,994.00.....	269
35	6,994.01–7,020.00.....	270
36	7,020.01–7,046.00.....	271
37	7,046.01–7,072.00.....	272
38	7,072.01–7,098.00.....	273
39	7,098.01–7,124.00.....	274
40	7,124.01–7,150.00.....	275

1	A	B
2	Amount of wages in	Weekly benefit
3	highest quarter	amount
4	7,150.01–7,176.00.....	276
5	7,176.01–7,202.00.....	277
6	7,202.01–7,228.00.....	278
7	7,228.01–7,254.00.....	279
8	7,254.01–7,280.00.....	280
9	7,280.01–7,306.00.....	281
10	7,306.01–7,332.00.....	282
11	7,332.01–7,358.00.....	283
12	7,358.01–7,384.00.....	284
13	7,384.01–7,410.00.....	285
14	7,410.01–7,436.00.....	286
15	7,436.01–7,462.00.....	287
16	7,462.01–7,488.00.....	288
17	7,488.01–7,514.00.....	289
18	7,514.01–7,540.00.....	290
19	7,540.01–7,566.00.....	291
20	7,566.01–7,592.00.....	292
21	7,592.01–7,618.00.....	293
22	7,618.01–7,644.00.....	294
23	7,644.01–7,670.00.....	295
24	7,670.01–7,696.00.....	296
25	6,696.01–7,722.00.....	297
26	7,722.01–7,748.00.....	298
27	7,748.01–7,774.00.....	299

28

29 (b) For new claims filed with an effective date beginning on or
30 after January 1, 2006, an individual's weekly benefit amount is
31 the amount appearing in column B in the following table
32 opposite the wage bracket in column A that contains the wages
33 paid to the individual for employment by employers during the
34 quarter of his or her base period in which his or her wages were
35 the highest. If the benefit payable under this subdivision is three
36 hundred dollars (\$300) or more, and is not a multiple of ten
37 dollars (\$10), it shall be computed to the next lower multiple of
38 ten dollars (\$10).

1	A	B
2	Amount of wages in	Weekly benefit
3	highest quarter	amount
4	7,774.01– 8,059.99.....	300
5	8,060.00– 8,319.99.....	310
6	8,320.00– 8,579.99.....	320
7	8,580.00– 8,839.99.....	330
8	8,840.00– 9,099.99.....	340
9	9,100.00– 9,359.99.....	350
10	9,360.00– 9,619.99.....	360
11	9,620.00– 9,879.99.....	370
12	9,880.00–10,139.99.....	380
13	10,140.00–10,399.99.....	390
14	10,400.00–10,659.99.....	400
15	10,660.00–10,919.99.....	410
16	10,920.00–11,179.99.....	420
17	11,180.00–11,439.99.....	430
18	11,440.00–11,699.99.....	440
19	11,700.00 and over.....	450

20

21 If the amount of wages paid an individual for employment by
 22 employers exceeds eleven thousand seven hundred dollars
 23 (\$11,700) in the quarter of his or her base period in which these
 24 wages were highest, the individual's weekly benefit amount shall
 25 be 50 percent of these wages divided by 13, but in no case shall
 26 this amount exceed four hundred fifty dollars (\$450).

27 SEC. 27. Section 1281 of the Unemployment Insurance Code
 28 is amended to read:

29 1281. (a) An individual cannot establish a valid claim or a
 30 benefit year during which any benefits are payable unless during
 31 his or her base period:

32 ~~(1) For new claims filed with an effective date beginning on or~~
 33 ~~after January 1, 1990, and prior to January 1, 1991, he or she has~~
 34 ~~met one of the following conditions:~~

35 ~~(A) He or she has been paid wages for employment by~~
 36 ~~employers during the quarter of his or her base period in which~~
 37 ~~his or her wages were the highest of not less than one thousand~~
 38 ~~two hundred dollars (\$1,200):~~

39 ~~(B) He or she has been paid wages for employment by~~
 40 ~~employers during the quarter of his or her base period in which~~

1 his or her wages were the highest of not less than nine hundred
2 dollars (\$900) and been paid wages for employment by
3 employers during his or her base period equal to 1.25 times the
4 amount he or she was paid in this same quarter.

5 (2) For new claims filed with an effective date beginning on or
6 after January 1, 1991, and prior to January 1, 1992, he or she has
7 met one of the following conditions:

8 (A) He or she has been paid wages for employment by
9 employers during the quarter of his or her base period in which
10 his or her wages were the highest of not less than one thousand
11 two hundred fifty dollars (\$1,250).

12 (B) He or she has been paid wages for employment by
13 employers during the quarter of his or her base period in which
14 his or her wages were the highest of not less than nine hundred
15 dollars (\$900) and been paid wages for employment by
16 employers during his or her base period equal to 1.25 times the
17 amount he or she was paid in this same quarter.

18 (3) For new claims filed with an effective date beginning on or
19 after January 1, 1992, he or she has met one of the following
20 conditions:

21 (A) He or she has been paid wages for employment by
22 employers during the quarter of his or her base period in which
23 his or her wages were the highest of not less than one thousand
24 three hundred dollars (\$1,300).

25 (B) He or she has been paid wages for employment by
26 employers during the quarter of his or her base period in which
27 his or her wages were the highest of not less than nine hundred
28 dollars (\$900) and been paid wages for employment by
29 employers during his or her base period equal to 1.25 times the
30 amount he or she was paid in this same quarter. *period, for new*
31 *claims filed with an effective date beginning on or after January*
32 *1, 2006, he or she has met one of the following conditions:*

33 (1) *He or she has been paid wages for employment by*
34 *employers during the quarter of his or her base period in which*
35 *his or her wages were the highest of not less than two thousand*
36 *sixty-five dollars (\$2,065).*

37 (2) *He or she has been paid wages for employment by*
38 *employers during the quarter of his or her base period in which*
39 *his or her wages were the highest of not less than one thousand*
40 *four hundred thirty dollars (\$1,430) and been paid wages for*

1 *employment by employers during his or her base period equal to*
2 *1.25 times the amount he or she was paid in this same quarter.*

3 (b) Except as provided by subdivision (c) of this section, the
4 maximum amount of unemployment compensation benefits
5 payable to an individual during any one benefit year shall not
6 exceed the lower of the following:

7 (1) Twenty-six times his or her weekly benefit amount.

8 (2) One-half the total wages paid to the individual during his
9 or her base period.

10 (c) If the maximum amount computed under subdivision (b) is
11 not a multiple of one dollar (\$1) it shall be computed to the next
12 higher multiple of one dollar (\$1).

13 (d) For the purpose of this section and Section 1280, in
14 determining wages paid, “wages” includes wages due to any
15 individual but unpaid within the time limit provided by law.

16 SEC. 28. Section 1301 of the Unemployment Insurance Code
17 is repealed.

18 ~~1301. As used in this article:~~

19 ~~(a) “Self-Employment Assistance Program” means a program~~
20 ~~that enables an unemployed individual approved under this~~
21 ~~article to engage in self-employment activities on a full-time~~
22 ~~basis that will lead to establishing a business and becoming~~
23 ~~self-employed.~~

24 ~~(b) “Self-employment assistance activities” means activities~~
25 ~~approved by the director in which an individual identified~~
26 ~~through a worker profiling system as likely to exhaust regular~~
27 ~~benefits participates for the purpose of establishing a business~~
28 ~~and becoming self-employed. These may include, but are not~~
29 ~~limited to, entrepreneurial training, business counseling, and~~
30 ~~technical assistance.~~

31 ~~(c) “Self-employment assistance allowance” means an~~
32 ~~allowance payable in lieu of regular benefits and from the~~
33 ~~Unemployment Fund established under Section 1521 to an~~
34 ~~individual participating in self-employment assistance activities~~
35 ~~who meets the requirements of this article.~~

36 ~~(d) “Regular benefits” means benefits payable to an individual~~
37 ~~under this part, including benefits payable to federal civilian~~
38 ~~employees and to ex-service members pursuant to Chapter 85~~
39 ~~(commencing with Section 8501) of Title 5 of the United States~~
40 ~~Code, other than additional and extended benefits.~~

1 ~~(e) “Full-time basis” shall have the meaning contained in~~
2 ~~regulations prescribed by the director.~~

3 SEC. 29. Section 1302 of the Unemployment Insurance Code
4 is repealed.

5 ~~1302. The weekly allowance payable under this article to an~~
6 ~~individual shall be equal to the weekly benefit amount for regular~~
7 ~~benefits otherwise payable under Article 2 (commencing with~~
8 ~~Section 1275). The sum of (a) allowance payable under this~~
9 ~~section and (b) regular benefits paid under this part with respect~~
10 ~~to any benefit year shall not exceed the maximum benefit amount~~
11 ~~as established by Section 1281 with respect to that benefit year.~~

12 SEC. 30. Section 1303 of the Unemployment Insurance Code
13 is repealed.

14 ~~1303. The allowance described in Section 1302 shall be~~
15 ~~payable to an individual at the same interval, on the same terms,~~
16 ~~and subject to the same conditions as regular benefits under this~~
17 ~~part, except as follows:~~

18 ~~(a) The requirements relating to availability for work, active~~
19 ~~search for work, and refusal to accept work shall not apply to any~~
20 ~~week that the individual is in training or engaged in~~
21 ~~self-employment activities as approved by this article.~~

22 ~~(b) Income earned by an individual while engaged in~~
23 ~~self-employment activities as approved under this article shall~~
24 ~~not be construed to be wages or compensation for personal~~
25 ~~services under this division, and benefits payable under this~~
26 ~~division shall not be denied or reduced because of those~~
27 ~~payments.~~

28 ~~(c) An individual who fails to participate in self-employment~~
29 ~~assistance activities or who fails to actively engage on a full-time~~
30 ~~basis in activities, which may include training, relating to the~~
31 ~~establishment of a business and becoming self-employed shall be~~
32 ~~disqualified for the week the failure occurs.~~

33 SEC. 31. Section 1304 of the Unemployment Insurance Code
34 is repealed.

35 ~~1304. An individual is eligible to participate in the~~
36 ~~self-employment assistance program if he or she meets all of the~~
37 ~~following conditions:~~

38 ~~(a) Is eligible to receive regular unemployment insurance~~
39 ~~under state law.~~

~~(b) Has been identified pursuant to an automated profiling system as likely to exhaust regular unemployment compensation.~~

~~(c) Has been approved for participation in the Self-Employment Assistance Program by the director.~~

~~(d) Participates in entrepreneurial training, business counseling, and technical assistance as required by the director.~~

~~(e) Is engaged on a full-time basis in activities related to establishing a business and becoming self-employed.~~

SEC. 32. Section 1305 of the Unemployment Insurance Code is repealed.

~~1305. The aggregate number of individuals receiving the allowance under this article at any time shall not exceed 5 percent of the number of individuals receiving regular benefits. The director shall, through regulations, prescribe those actions necessary to ensure the requirements of this section are met.~~

SEC. 33. Section 1306 of the Unemployment Insurance Code is repealed.

~~1306. Self-employment assistance program allowances paid under this section shall be charged to employers as provided under provisions of this part relating to the charging of regular benefits. Costs of administering the self-employment assistance allowances are payable from grants received by the department for the administration of California's unemployment insurance law under Title III of the Social Security Act. Costs of providing self-employment assistance program services, such as business training, business counseling, and technical assistance are payable from Job Training Partnership Act funds and other federal grants.~~

SEC. 34. Section 1307 of the Unemployment Insurance Code is repealed.

~~1307. An individual is prohibited from participating in the self-employment assistance program if his or her prior employer is the primary user of the new business services. No employer shall coerce an employee into participating in the self-employment assistance program.~~

SEC. 35. Section 1308 of the Unemployment Insurance Code is repealed.

~~1308. The provisions of this article shall apply to weeks beginning after the effective date of this article or weeks beginning after any plan required by the United States~~

1 ~~Department of Labor is approved by the United States~~
2 ~~Department of Labor, whichever date is later. Immediately upon~~
3 ~~enactment of this article, the director shall develop such a plan~~
4 ~~and seek approval from the United States Department of Labor.~~

5 The authority provided by this section shall terminate as of the
6 week ending December 5, 1998.

7 SEC. 36. Section 1451 of the Unemployment Insurance Code
8 is amended to read:

9 1451. Nonprofessional employees of the Fremont and
10 Riverside campuses of the California School for the Deaf, the
11 Fremont campus of the California School for the Blind, and the
12 diagnostic schools for ~~the neurologically handicapped individuals~~
13 *with neurological disabilities* located in Los Angeles, San
14 Francisco, and Fresno, shall be eligible for benefits provided by
15 this chapter, on the same terms and conditions as are specified by
16 this part, Part 3 (commencing with Section 3501), and Part 4
17 (commencing with Section 4001), for all other individuals,
18 except where inconsistent with the provisions of this chapter.
19 Except where inconsistent with the provisions of this chapter, the
20 provisions of this division and authorized regulations shall apply
21 to any matter arising pursuant to this chapter.

22 SEC. 37. Section 2051 of the Unemployment Insurance Code
23 is amended to read:

24 2051. The State of California accepts the provisions of the
25 Wagner-Peyser Act, approved June 6, 1933, *as amended by the*
26 *Workforce Investment Act of 1998 (Public Law 105-220)* passed
27 by the Congress of the United States, and entitled "An act to
28 provide for the establishment of a national employment system
29 and for cooperation with the states in the promotion of such
30 system, and for other purposes," in conformity with Section 4
31 thereof, and will observe and comply with the requirements of
32 that act.

33 The department is the agency of this ~~State~~ *state* for the
34 purposes of that act.

35 SEC. 38. Section 2061 of the Unemployment Insurance Code
36 is amended to read:

37 2061. It is the intent of the Legislature in adopting this section
38 to ensure that job order information registered with the Job
39 Service of the Employment Development Department *and the*
40 *One-Stop Career Centers System* be shared as expeditiously and

1 thoroughly as possible between the department's field offices
2 ~~within the same labor-market area and one-stop career centers~~
3 ~~both in the local labor market and throughout the state.~~

4 The Legislature finds that job order sharing will result in better
5 service to employers and more efficient service to job seekers.

6 ~~(a) All department offices within a common labor-market area~~
7 ~~shall share job listing information. Each automated on-line order~~
8 ~~sharing network of offices shall constitute a common labor~~
9 ~~market. In areas which are not automated, a common labor~~
10 ~~market means all of the following:~~

11 ~~(1) All offices within a city.~~

12 ~~(2) All offices within 25 miles of each other within a county.~~

13 ~~(3) All offices with adjoining administrative boundaries across~~
14 ~~which substantial commuting is practiced and other pertinent~~
15 ~~circumstances exist.~~

16 ~~(b) In areas which are automated, the department shall share~~
17 ~~all job order information, except for casual labor, immediately~~
18 ~~upon receipt of the job order. In areas which are not automated,~~
19 ~~the department shall share all job orders with insufficient referral~~
20 ~~activity within 24 hours of receipt of the job order. "Insufficient~~
21 ~~referral activity" means fewer referrals than the number~~
22 ~~requested by the employer, or fewer than the number that would~~
23 ~~normally be referred for the occupation when the employer~~
24 ~~expresses no limitation. Under no circumstances shall a job order~~
25 ~~be held for longer than three days.~~

26 ~~(c) Each public employment field office shall display signs for~~
27 ~~job seekers to review which indicate what area is served by the~~
28 ~~office, what information is available about job listings in areas~~
29 ~~served by other offices with which job orders are shared, and~~
30 ~~how to request information about jobs in areas not served by the~~
31 ~~office.~~

32 ~~(d) The~~

33 ~~The provisions of this section shall be subject to the limitations~~
34 ~~of federal budgetary constraints.~~

35 SEC. 39. Section 2781 of the Unemployment Insurance Code
36 is amended to read:

37 2781. Except as provided in this chapter and ~~Chapter 3.6~~
38 ~~(commencing with Section 18135) of Part 1 Chapter 2.5~~
39 ~~(commencing with Section 19878) of Part 2.6 of Division 5 of~~
40 ~~Title 2 of the Government Code, and Article 1.2 (commencing~~

1 *with Section 89529.15) of Chapter 5 of Part 55 of Division 8 of*
 2 *Title 3 of the Education Code, a state employee shall be eligible*
 3 *for nonindustrial disability benefits on the same terms and*
 4 *conditions as are specified by this part. Except as inconsistent*
 5 *with the provisions of this chapter and Chapter—3.6 2.6*
 6 *(commencing with Section—18135) 19878) of Part—1 2.6 of*
 7 *Division 5 of Title 2 of the Government Code, and Article 1.2*
 8 *(commencing with Section 89529.15) of Chapter 5 of Part 55 of*
 9 *Division 8 of Title 3 of the Education Code, the provisions of this*
 10 *division and authorized regulations shall apply to any matter*
 11 *arising pursuant to this chapter.*

12 SEC. 40. Section 3254.5 of the Unemployment Insurance
 13 Code is amended to read:

14 3254.5. A voluntary plan in force and effect at the time a
 15 successor employing unit acquires the organization, trade, or
 16 business, or substantially all the assets thereof, or a distinct and
 17 severable portion of such organization, trade, or business, and
 18 continues its operation without substantial reduction of personnel
 19 resulting from such acquisition, shall not ~~terminate~~ *withdraw*
 20 *without specific request for cancellation withdrawal* thereof. The
 21 successor employing unit and the insurer shall be deemed to have
 22 consented to the provisions of the plan unless written request for
 23 ~~cancellation~~ *withdrawal*, effective as of the date of acquisition, is
 24 transmitted to the Director of Employment Development, by the
 25 employer or the insurer, within 30 days after the acquisition date,
 26 or within 30 days after notification from the Director of
 27 Employment Development that the plan is to continue, whichever
 28 is later. Unless the plan is ~~terminated~~ *withdrawn* as of the date of
 29 acquisition by the successor employer or the insurer, a written
 30 request for ~~cancellation~~ *withdrawal* shall be effective only on the
 31 anniversary of the effective date of the plan next occurring on or
 32 after the date of acquisition, except that the plan may be
 33 ~~terminated~~ *withdrawn* on the operative date of any law increasing
 34 the benefit amounts provided by Sections 2653 and 2655 or the
 35 operative date of any change in the rate of worker contributions
 36 as determined by Section 984, if notice of the ~~termination~~
 37 *withdrawal* of the plan is transmitted to the Director of
 38 Employment Development not less than 30 days prior to the
 39 operative date of such law or change. If the plan is not ~~terminated~~
 40 *withdrawn* on such 30 days' notice because of the enactment of a

1 law increasing benefits or because of a change in the rate of
2 worker contributions as determined by Section 984, the plan shall
3 be amended to conform to such increase or change on the
4 operative date of the increase or change. Promptly upon notice of
5 change in ownership any insurer of such a plan shall prepare and
6 issue policy forms and amendments as required, unless the plan
7 is ~~is canceled~~ *withdrawn*. Nothing herein contained shall prevent
8 future ~~cancellation~~ *withdrawal* of any such plans on an
9 anniversary of the effective date of the plan upon 30 days' notice,
10 except that the plan may be ~~terminated~~ *withdrawn* on the
11 operative date of any law increasing the benefit amounts
12 provided by Sections 2653 and 2655 or the operative date of any
13 change in the rate of worker contributions as determined by
14 Section 984, if notice of the ~~termination~~ *withdrawal* of the plan is
15 transmitted to the Director of Employment Development not less
16 than 30 days prior to the operative date of such law or change. If
17 the plan is not ~~terminated~~ *withdrawn* on such 30 days' notice
18 because of the enactment of a law increasing benefits or because
19 of a change in the rate of worker contributions as determined by
20 Section 984, the plan shall be amended to conform to such
21 increase or change on the operative date of the increase or
22 change.

23 SEC. 41. Division 2 (commencing with Section 5000) of the
24 Unemployment Insurance Code is repealed.

25 SEC. 42. Section 9003 of the Unemployment Insurance Code
26 is amended to read:

27 9003. Notwithstanding any other provisions of this code,
28 ~~handicapped individuals with disabilities who are~~ clients of the
29 Department of Rehabilitation shall not be barred as participants
30 in manpower programs, including but not limited to, retraining
31 programs, work incentive programs, job training and placement
32 programs, career opportunity development programs, and
33 vocational educational programs, because of their mental or
34 physical disability when certified by the Department of
35 Rehabilitation as being potentially employable.

36 SEC. 43. Section 9106 of the Unemployment Insurance Code
37 is repealed.

38 ~~9106. "Board" means the Employment Services Board.~~

39 SEC. 44. Section 9604 of the Unemployment Insurance Code
40 is amended to read:

1 9604. (a) The department shall establish necessary data
2 systems which shall provide administrative information on
3 persons served including, but not limited to, the following
4 information:

- 5 (1) Pertinent data on the characteristics of persons served.
- 6 (2) The services provided.
- 7 (3) The results of services provided.
- 8 ~~(4) Progress report data for clients in the manpower training~~
9 ~~program, at intervals of at least 30, 90, and 180 days following~~
10 ~~completion of manpower training.~~

11 (b) The department shall also compile annually a report for the
12 state and its principal labor market areas. The report shall contain
13 information on the characteristics of the unemployed and
14 analyses of current trends and projections for population, labor
15 force, employment, and unemployment and shall be provided on
16 a regular basis to cooperative area manpower systems councils or
17 successors.

18 SEC. 45. Section 9605 of the Unemployment Insurance Code
19 is amended to read:

20 9605. The department shall:

21 (a) Conduct the state manpower program, with the exception
22 of manpower programs conducted by units of local general
23 purpose government.

24 (b) Be the sole state agency to approve and coordinate publicly
25 funded job training and placement programs, which it
26 administers. The department shall approve programs only if
27 consistent with the plans developed under Section 9600 and other
28 provisions of this division.

29 (c) Be responsible for developing program objectives for each
30 category of the service program it administers, establishing
31 cost-effective results measurement, and providing accountability
32 for results as related to the objectives set.

33 (d) Appoint an advisory committee of representatives of
34 employers and employer organizations to enlist the advice and
35 support of private industry in developing a statewide system for
36 making jobs available to job trainees following successful
37 completion of job training and placement programs.

38 (e) Develop controls to insure that job training and placement
39 programs, it administers meet existing labor market needs as
40 viewed by employers. The department shall study training and

1 personnel selection methods used successfully by private
2 industry.

3 (f) Encourage placement of eligible persons in public
4 employment with the assistance of an advisory group
5 representing state and local officials and representatives of
6 economically disadvantaged areas appointed by the department.

7 (g) Evaluate the need for specific new public employment
8 opportunities.

9 (h) Determine the kinds and quality of job training and
10 placement programs, it administers necessary to provide
11 placement in public employment for eligible persons and develop
12 means to realign job tasks to develop greater employment
13 opportunities for eligible persons.

14 (i) Cooperate with the State Personnel Board and local
15 personnel officials in developing and upgrading employment
16 opportunities for and in eliminating unnecessary barriers to the
17 placement of eligible persons in public employment.

18 The State Personnel Board and other state and local agencies
19 shall cooperate to the maximum extent feasible to achieve the
20 purposes of this division.

21 ~~(j) Conduct and administer the California Migrant Master~~
22 ~~Plan.~~

23 SEC. 46. Section 9608 of the Unemployment Insurance Code
24 is amended to read:

25 9608. The director shall, within each community employment
26 development center, establish an intake system to appraise the
27 individual needs of applicants. Each community employment
28 development center shall provide the following services:

29 (a) Job referral and labor market information services to
30 applicants who are occupationally competitive and qualified by
31 training or experience in the labor market. These applicants shall
32 be encouraged to utilize self-help services.

33 (b) Employment exploration and job development services to
34 applicants who are employable but need some directed assistance
35 in planning an effective job search or coping with minor barriers
36 to employment. Employment exploration and job development
37 services are designed:

38 (1) To prepare groups of applicants to use job referral and
39 information services by instructing them in job finding
40 techniques and how to initiate their own job search.

1 (2) To assist applicants directly by developing job
2 opportunities.

3 (3) To provide, as necessary, usually on a one-time basis, such
4 services as the following:

5 (A) Contacting an employer to explain an applicant's
6 qualifications or limitations, such as a ~~handicap~~ *disability* not
7 affecting ability to work, in relation to requirements for a
8 particular job and arranging an interview.

9 (B) A more thorough appraisal of the applicant's capabilities
10 and desires in relation to the job market than is required of an
11 applicant seeking only job referral and labor market information.

12 (4) To arrange for short-term supplemental services.

13 (c) Individual employability development and placement
14 services to applicants who are potentially employable but are in
15 need of more intensive services before becoming employable
16 because they are ~~vocationally handicapped~~ *have vocational*
17 *barriers* due to disability, lack of skills, obsolescence of job
18 skills, limited education, or poor work habits and attitudes.
19 Intensive employability services shall be provided by
20 case-responsible persons to applicants where case-responsible
21 persons are assigned.

22 (d) Through ~~counselors~~ *case managers or case-responsible*
23 *persons*, case services to applicants to the extent funds are
24 available. Case services funds may be made available for
25 services to the disadvantaged. "Case services" means an
26 applicant's expenses necessary for or incident to training or
27 employability development and includes, but is not limited to, the
28 following:

29 (1) Medical and dental treatment necessary for employability.

30 (2) Temporary child care.

31 (3) Transportation costs.

32 (4) Wearing apparel.

33 (5) Books and supplies.

34 (6) Tools and safety equipment.

35 (7) Union fees.

36 (8) Business license fees.

37 SEC. 47. Section 9615 of the Unemployment Insurance Code
38 is amended to read:

39 9615. Eligible persons who are registrants pursuant to Article
40 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of

1 Division 9 of the Welfare and Institutions Code shall receive
2 priority for services ~~provided by the Service Center programs~~
3 ~~provided for pursuant to this chapter and Executive Order 66-11,~~
4 ~~July 1966.~~ The department shall use up to 50 percent of the funds
5 available to it pursuant to Section 7(b) of the federal
6 Wagner-Peyser Act (29 U.S.C., Sec. 49f) to provide for job
7 services required pursuant to subdivision (c) of Section 11320.3
8 of the Welfare and Institutions Code.

9 SEC. 48. Section 9616.1 of the Unemployment Insurance
10 Code is amended to read:

11 9616.1. (a) The department shall convene groups that
12 represent local department field offices, county welfare
13 departments, ~~service delivery areas~~ *local workforce investment*
14 *areas*, and community colleges for the purpose of developing a
15 local plan on how these entities will regularly coordinate
16 employer outreach activities and the solicitation of entry-level
17 and other job listings, in order to reduce duplication of effort and
18 to enhance the overall job development activities ~~in each county.~~
19 Each local plan shall be signed by the local entities convened
20 pursuant to this subdivision and submitted to the department.

21 (b) The entities involved in formulating each local plan and
22 the department shall review each plan on at least an annual basis.

23 SEC. 49. Chapter 3 (commencing with Section 10000) of Part
24 1 of Division 3 of the Unemployment Insurance Code is
25 repealed.

26 SEC. 50. Section 10212.2 of the Unemployment Insurance
27 Code is amended to read:

28 10212.2. (a) The panel shall prepare a budget covering
29 necessary administrative costs of the panel. The budget shall not
30 be subject to change by the director except as agreed to by the
31 panel. In the event that agreement cannot be reached, the
32 Secretary of the ~~California Health and Human Services~~ *Labor*
33 *and Workforce Development* Agency shall attempt to reach a
34 mutual agreement. In the event a mutual agreement cannot be
35 reached, the final decision shall rest with the Governor.

36 (b) The director shall furnish at the request of the panel
37 equipment, supplies, and housing unless specified otherwise in
38 this code, and nonpersonal and housekeeping services required
39 by the panel and shall perform any other mechanics of
40 administration as the panel and the director may agree upon.

SEC. 51. Section 10521 of the Unemployment Insurance Code is repealed.

~~10521. As used in this chapter:~~

(a) ~~“State council” means the State Job Training Coordinating Council established pursuant to Chapter 4.5 (commencing with Section 15035) of Division 8.~~

(b) ~~“Employment and training programs and services” means all programs and services provided in this state to increase employment or provide job search assistance or training to unemployed or underemployed persons, including those administered by state and local education and training agencies (including vocational education agencies), public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development agencies, and other agencies which have a direct interest in employment and training and human resource utilization in the state. This shall include, but is not limited to, the following:~~

~~(1) Programs operated pursuant to the Job Training Partnership Act, as amended.~~

~~(2) Employment services, as authorized by the Wagner-Peyser Act.~~

~~(3) Employment services to food stamp recipients, as authorized by Public Law 95-113 and Section 18900 of the Welfare and Institutions Code.~~

~~(4) The Career Opportunities Development Program, as authorized by Division 4 (commencing with Section 12000).~~

~~(5) The California Jobs Tax Credit, as authorized by Sections 17053.7 and 24330 of the Revenue and Taxation Code.~~

~~(6) The State Service Center Program, as authorized by Executive Order 66-11, July 1966.~~

~~(7) Dislocated Workers Assistance, as authorized by Chapter 7.5 (commencing with Section 15075) of Division 8.~~

~~(8) Adult education, as authorized by Chapter 10 (commencing with Section 52500) of Part 28 of Division 4 of Title 2 of the Education Code.~~

~~(9) Vocational education programs subject to the reporting requirements of the federal Carl D. Perkins Vocational Education Act (20 U.S.C. Sec. 2301 et seq.), or authorized by Chapter 1 (commencing with Section 8000) of Part 6, and Chapter 9~~

1 ~~(commencing with Section 52300) and Chapter 13 (commencing~~
2 ~~with 52950) of Part 28 of the Education Code.~~

3 ~~(10) The California Educational Opportunity Grant Program,~~
4 ~~as authorized by subdivision (c) of Section 69532 of the~~
5 ~~Education Code.~~

6 ~~(11) Vocational education for inmates of correctional~~
7 ~~institutions, as authorized by Article 6 (commencing with Section~~
8 ~~1120) of Chapter 3 of Part 1 of Division 2 of the Welfare and~~
9 ~~Institutions Code, and by Sections 2054, 2716, and 5091 of the~~
10 ~~Penal Code.~~

11 ~~(12) The California Conservation Corps, as authorized by~~
12 ~~Division 12 (commencing with Section 14000) of the Public~~
13 ~~Resources Code.~~

14 ~~(13) Apprenticeship programs, as authorized by Chapter 4~~
15 ~~(commencing with Section 3070) of Division 3 of the Labor~~
16 ~~Code.~~

17 ~~(14) The Employment Training Panel, as authorized by~~
18 ~~Chapter 3.5 (commencing with Section 10200) of Part 1 of~~
19 ~~Division 3.~~

20 ~~(15) Economic and business development programs and~~
21 ~~services, as authorized by Part 6.7 (commencing with Section~~
22 ~~15310) of Division 3 of Title 2 of the Government Code.~~

23 ~~(16) The Small Business Development Program, as authorized~~
24 ~~by Part 5 (commencing with Section 14000) of Division 3 of~~
25 ~~Title 1 of the Corporations Code.~~

26 ~~(17) The business and industrial development programs, as~~
27 ~~authorized by Division 15 (commencing with Section 32000) of~~
28 ~~the Financial Code.~~

29 ~~(18) The Industrial Development Financing Program, as~~
30 ~~authorized by Title 10 (commencing with Section 91500) of the~~
31 ~~Government Code.~~

32 ~~(19) Child care services provided to permit parents to be~~
33 ~~employed or participate in training, as authorized by Chapter 2~~
34 ~~(commencing with Section 8200) of Part 6 of Division 1 of Title~~
35 ~~1 of the Education Code.~~

36 ~~(20) Income maintenance programs for persons who would be~~
37 ~~employed but for a lack of employment opportunities, training,~~
38 ~~child care, or vocational rehabilitation, as authorized by Division~~
39 ~~1 (commencing with Section 100), and Division 9 (commencing~~
40 ~~with Section 10000) of the Welfare and Institutions Code.~~

1 ~~(21) The Greater Avenues for Independence Act, as authorized~~
2 ~~by Article 3.2 (commencing with Section 11320) of Chapter 2 of~~
3 ~~Part 3 of Division 9 of the Welfare and Institutions Code.~~

4 ~~(22) Vocational rehabilitation programs, as authorized by~~
5 ~~Article 2.6 (commencing with Section 4635) of Chapter 2 of Part~~
6 ~~2 of Division 4 of the Labor Code and Division 9 (commencing~~
7 ~~with Section 19000) of the Welfare and Institutions Code.~~

8 ~~(23) Community Services Block Grants, as authorized by the~~
9 ~~Economic Opportunity Act (Public Law 97-35).~~

10 ~~(24) Employment and training services for homeless persons,~~
11 ~~as authorized by the Stewart B. McKinney Act (Public Law~~
12 ~~100-77).~~

13 ~~(25) Senior Community Service Employment programs, as~~
14 ~~authorized by Title V of the Older Americans Act (Subchapter 7~~
15 ~~(commencing with Section 3056) of Chapter 35 of Title 42 of the~~
16 ~~United States Code) and Section 9000 of the Welfare and~~
17 ~~Institutions Code.~~

18 ~~(26) California Community College programs, as authorized~~
19 ~~by Division 7 (commencing with Section 70900) of Title 3 of the~~
20 ~~Education Code.~~

21 ~~(27) The Enterprise Zone Act, as authorized by Chapter 12.8~~
22 ~~(commencing with Section 7070), and the Employment and~~
23 ~~Economic Incentive Act, as authorized by Chapter 12.9~~
24 ~~(commencing with Section 7080), of Division 7 of Title 1 of the~~
25 ~~Government Code.~~

26 ~~(28) Programs for Disadvantaged Pupils, as authorized by Part~~
27 ~~29 (commencing with Section 54000) of the Education Code.~~

28 SEC. 52. Section 10523 of the Unemployment Insurance
29 Code is repealed.

30 ~~10523. In developing the coordination and special services~~
31 ~~plan the state council shall identify, in coordination with the~~
32 ~~appropriate state agencies, the employment and training and~~
33 ~~vocational education needs of employers and of unemployed and~~
34 ~~underemployed persons throughout the state, and assess the~~
35 ~~extent to which employment and training programs and services~~
36 ~~available in the state represent a complete, consistent, integrated,~~
37 ~~and coordinated approach to meeting these needs. The state~~
38 ~~council shall also review plans of all state agencies which~~
39 ~~provide or impact employment, training, and related services.~~

1 SEC. 53. Section 10524 of the Unemployment Insurance
2 Code is repealed.

3 ~~10524. The coordination and special services plan shall~~
4 ~~include the following:~~

5 ~~(a) A description of the proposed use of resources available in~~
6 ~~this state for employment and training programs and services for~~
7 ~~a two-year period, including oversight and support activities,~~
8 ~~priorities and criteria for incentive grants, and performance goals~~
9 ~~for state-supported programs.~~

10 ~~(b) An evaluation of the experience of employment and~~
11 ~~training programs and services over the preceding two years.~~

12 ~~(c) Recommendations with respect to ways to improve the~~
13 ~~effectiveness of employment and training programs and services~~
14 ~~in this state and ensure that these programs and services represent~~
15 ~~a complete, consistent, integrated and coordinated approach to~~
16 ~~meeting employment, training, and vocational education needs in~~
17 ~~this state.~~

18 ~~(d) Specific coordination criteria which shall ensure that each~~
19 ~~local service delivery area plan, for each county, or part of a~~
20 ~~county, served by the plan, shall provide job training and~~
21 ~~employment services, as defined in this division, in accordance~~
22 ~~with a county plan approved under Article 3.2 (commencing with~~
23 ~~Section 11320) of Chapter 2 of Part 3 of Division 9 of the~~
24 ~~Welfare and Institutions Code.~~

25 SEC. 54. Section 10525 of the Unemployment Insurance
26 Code is repealed.

27 ~~10525. The coordination and special services plan shall also~~
28 ~~include a dislocated workers assistance plan to provide services~~
29 ~~to eligible workers pursuant to Chapter 7.5 (commencing with~~
30 ~~Section 15075) of Division 8. The dislocated workers assistance~~
31 ~~plan shall meet the requirements of Title III of the federal Job~~
32 ~~Training Partnership Act (Public Law 97-300), as amended, and~~
33 ~~include all of the following:~~

34 ~~(a) The specific responsibilities of each of the state agencies~~
35 ~~administering dislocated workers assistance programs.~~

36 ~~(b) Provide that services to a substantial number of members~~
37 ~~of a labor organization shall be established only after full~~
38 ~~consultation with the labor organization.~~

39 ~~(c) Prescribe program standards, including, but not limited to,~~
40 ~~standards based on job placement and job retention.~~

~~(d) Integration of displaced worker services with services and payments made available under the federal Trade Act of 1974, as amended (19 U.S.C. Sec. 2101 and following), unemployment insurance benefits, the Job Service, vocational education programs, and other programs provided under this division.~~

~~(e) Coordination of local dislocated worker rapid response assistance planning with the federal Worker Adjustment and Retraining Notification Act, Public Law 100-379, by designation of local service delivery area grant administrators as local governmental entities that will also formally receive the 60-day notice required under the federal act.~~

SEC. 55. Section 10527 of the Unemployment Insurance Code is repealed.

~~10527. The coordination and special services plan prepared by the State Job Training Coordinating Council, in accordance with Sections 121 and 314 of the federal Job Training Partnership Act, shall include provisions allowable under the federal act to facilitate employee ownership, as defined by Section 91502.1 of the Government Code.~~

SEC. 56. Section 11000 of the Unemployment Insurance Code is amended to read:

11000. The Legislature finds that over 1.5 million persons in California are deaf or suffer from significant hearing impairment. Private and public employment agencies are not routinely adapted to meet the communication needs of ~~deaf and hearing impaired~~ persons *who are deaf and hard of hearing* and, therefore, the services they receive may be less than those provided to other persons. The Legislature also finds that employment opportunities for ~~the deaf and hearing impaired~~ *persons who are deaf and hard of hearing* are increased when specialized counseling, interpretive, job placement, and followup services supplement conventional employment services. In addition, the limited programs which provide these specialized employment services to ~~the deaf and hearing impaired persons~~ *who are deaf and hard of hearing* have recently been subject to significant local funding reductions. Therefore, the Legislature finds that a more stable funding source, as provided by this chapter, is necessary to ensure the continuance of these programs.

1 SEC. 57. Section 11001 of the Unemployment Insurance
2 Code is amended to read:

3 11001. (a) The department shall contract with public agencies
4 or private nonprofit corporations for a period not to exceed one
5 year to provide employment services for ~~the deaf and hearing~~
6 ~~impaired~~ *persons who are deaf and hard of hearing*. These
7 employment services shall be provided on-site at the
8 department's offices which are selected pursuant to Section
9 11004.

10 (b) At the end of each contract year, the department may
11 renegotiate the terms of each contract in accordance with
12 allowable increases or decreases in the contractor's costs and the
13 contractor's demonstrated ability to provide the specified
14 services.

15 (c) If a contractor is a private nonprofit corporation, it shall
16 submit a complete financial statement audited by a certified
17 public accountant prior to a renewal of the contract.

18 SEC. 58. Section 11002 of the Unemployment Insurance
19 Code is amended to read:

20 11002. Employment services for ~~the deaf and hearing~~
21 ~~impaired~~ *persons who are deaf and hard of hearing* shall include,
22 but not be limited to, the following:

23 (a) Complete communication services for all preparatory, job
24 placement, and followup activities. The communication services
25 shall include interpreter services by a professional interpreter for
26 ~~the deaf~~ *persons who are deaf and hard of hearing* possessing the
27 comprehensive skills certification of the National Registry of
28 Interpreters for the Deaf or the equivalent, telecommunications,
29 and, when necessary, training in communication skills.

30 (b) Advocacy to assure that ~~deaf and hearing-impaired~~ persons
31 *who are deaf and hard of hearing* receive equal access to public
32 and private employment services.

33 (c) Job development and job placement.

34 (d) Employment counseling, including peer counseling by ~~deaf~~
35 ~~or hearing-impaired individuals~~ *persons who are deaf and hard*
36 *of hearing*.

37 (e) Followup counseling and problem solving after placement.

38 SEC. 59. Section 11003 of the Unemployment Insurance
39 Code is amended to read:

1 11003. (a) The department, with the advice of persons
2 knowledgeable about providing employment services to ~~deaf and~~
3 ~~hearing impaired~~ persons *who are deaf and hard of hearing*, shall
4 establish the criteria for choosing contractors.

5 (b) The criteria shall include, but not be limited to, all of the
6 following:

7 (1) The ability to provide services ~~in a deaf or hearing~~
8 ~~impaired to a person who is deaf or hard of hearing in the~~
9 person's preferred mode of communication.

10 (2) The ability to secure community support, including written
11 endorsements of local officials, employers, the ~~private industry~~
12 ~~council~~ *workforce investment board* of the local ~~service delivery~~
13 *workforce investment* area and organizations of and for the ~~deaf~~
14 ~~and hearing impaired~~ *persons who are deaf and hearing*
15 *impaired*.

16 (3) The existence of funding from one or more public or
17 private sources.

18 (c) Preference shall be given in the selection of a contractor to
19 those proposals which demonstrate all of the following:

20 (1) Participation of ~~deaf and hearing impaired~~ persons *who are*
21 *deaf and hard of hearing* on the potential contractor's
22 employment services staff, and in the case of a private nonprofit
23 corporation, on the board of directors.

24 (2) A commitment to the development and maintenance of
25 self-determination for ~~deaf and hearing impaired~~ persons *who are*
26 *deaf and hard of hearing*.

27 SEC. 60. Section 11004 of the Unemployment Insurance
28 Code is amended to read:

29 11004. The department shall do all of the following:

30 (a) Determine the number and location of its offices within the
31 state providing employment services to ~~the deaf and hearing~~
32 ~~impaired individuals who are deaf and hard of hearing~~ and shall
33 decide which offices shall be served by contractors given the
34 resources available under this chapter. The department shall give
35 priority to offices where contracts are necessary in order to
36 prevent or minimize the disruption or the discontinuance of
37 employment services to ~~the deaf and hearing impaired~~
38 *individuals who are deaf and hard of hearing* which have been
39 provided in conjunction with the department prior to July 1,
40 1984.

(b) Coordinate the provision of employment services for ~~the deaf and hearing-impaired individuals who are deaf and hard of hearing~~ with the State Department of Social Services and the Department of Rehabilitation so that employment services provided by this chapter supplement or provide alternatives to services provided or funded by the departments.

(c) Establish uniform accounting procedures and contracts for use with regard to this chapter.

(d) Promulgate requests for proposals and conduct bidders' conferences, and evaluate proposals according to the criteria established pursuant to Section 11003.

(e) Utilize the definitions of deafness and significant hearing impairment which have been used or established by regulation by the State Department of Social Services.

(f) Conduct a management or fiscal audit of any contract whenever it is necessary for proper supervision of that contract.

(g) Annually consider incorporation of the services described in this chapter in the job service plan required by Section 8 of the federal Wagner-Peyser Act (29 U.S.C. Sec. 49g).

(h) Assist contractors in maintaining all of the following information:

- (1) The number of persons receiving services.
- (2) A description of the services provided.
- (3) The cost of the services provided.
- (4) The number of persons placed in jobs.
- (5) The number of persons assisted by follow up activities.
- (6) The number and qualifications of staff providing the services.

SEC. 61. Chapter 6 (commencing with Section 11010) of Part 1 of Division 3 of the Unemployment Insurance Code is repealed.

SEC. 62. Division 4 (commencing with Section 12000) of the Unemployment Insurance Code is repealed.

SEC. 63. Section 13002 of the Unemployment Insurance Code is amended to read:

13002. The following provisions of this code shall apply to any amount required to be deducted, reported, and paid to the department under this division:

- (1) Sections 301, 305, 306, 310, 311, 312, 317, and 318, relating to general administrative powers of the department.

1 (2) Sections 403 to 413, inclusive, Section 1336, and Chapter
2 8 (commencing with Section 1951) of Part 1 of Division 1,
3 relating to appeals and hearing procedures.

4 (3) Sections 1110.6, 1111, 1111.5, 1112, 1113, 1113.1, 1114,
5 1115, 1116, and 1117 relating to the making of returns or the
6 payment of reported contributions.

7 (4) Article 8 (commencing with Section 1126) of Chapter 4 of
8 Part 1 of Division 1, relating to assessments.

9 (5) Article 9 (commencing with Section 1176), except Section
10 1176, of Chapter 4 of Part 1 of Division 1, relating to refunds and
11 overpayments.

12 (6) Article 10 (commencing with Section 1206) of Chapter 4
13 of Part 1 of Division 1, relating to notice.

14 (7) Article 11 (commencing with Section 1221) of Chapter 4
15 of Part 1 of Division 1, relating to administrative appellate
16 review.

17 (8) Article 12 (commencing with Section 1241) of Chapter 4
18 of Part 1 of Division 1, relating to judicial review.

19 (9) Chapter 7 (commencing with Section 1701) of Part 1 of
20 Division 1, relating to collections.

21 (10) Chapter 10 (commencing with Section 2101) of Part 1 of
22 Division 1, relating to violations.

23 SEC. 64. Section 13009 of the Unemployment Insurance
24 Code is amended to read:

25 13009. "Wages" means all remuneration, other than fees paid
26 to a public official, for services performed by an employee for
27 his or her employer, including all remuneration paid to a
28 nonresident employee for services performed in this state, and
29 the cash value of all remuneration paid in any medium other than
30 cash, except as provided by this section. "Wages" includes tips
31 received by an employee in the course of his or her employment.
32 The wages shall be deemed to be paid at the time a written
33 statement including tips is furnished to the employer pursuant to
34 Section 13055 or, if no statement including those tips is so
35 furnished, at the time received.

36 "Wages" shall not include remuneration paid under any of the
37 following conditions:

38 (a) For agricultural labor, as defined in subdivision (g) of
39 Section 3121 of the Internal Revenue Code.

1 (b) For domestic service in a private home, local college club,
2 or local chapter of a college fraternity or sorority.

3 (c) For service not in the course of the employer's trade or
4 business performed in any calendar quarter by an employee,
5 unless the cash remuneration paid for that service is fifty dollars
6 (\$50) or more and the service is performed by an individual who
7 is regularly employed by the employer to perform the service.
8 For purposes of this subdivision, an individual shall be deemed to
9 be regularly employed by an employer during a calendar quarter
10 only if either of the following conditions is met:

11 (1) On each of some 24 days during the quarter, the individual
12 performs for the employer for some portion of the day service not
13 in the course of the employer's trade or business.

14 (2) The individual was regularly employed, as determined
15 under paragraph (1), by the employer in the performance of the
16 service during the preceding calendar quarter.

17 (d) For services by a citizen or resident of the United States for
18 a foreign government or an international organization.

19 (e) For services performed by a nonresident alien individual as
20 designated by regulations prescribed by the department.

21 (f) For services performed by a duly ordained, commissioned,
22 or licensed minister of a church in the exercise of his or her
23 ministry or by a member of a religious order in the exercise of
24 duties required by the order.

25 (g) (1) For services performed by an individual under the age
26 of 18 in delivery or distribution of newspapers or shopping news,
27 not including delivery or distribution to any point for subsequent
28 delivery or distribution.

29 (2) For services performed by an individual in, and at the time
30 of, the sale of newspapers or magazines to ultimate consumers,
31 under an arrangement under which the newspapers or magazines
32 are to be sold by him or her at a fixed price, his or her
33 compensation being based on the retention of the excess of the
34 price over the amount at which the newspapers or magazines are
35 charged to him or her whether or not he or she is guaranteed a
36 minimum amount of compensation for the services, or is entitled
37 to be credited with the unsold newspapers or magazines turned
38 back.

39 (h) For services not in the course of the employer's trade or
40 business, to the extent paid in any medium other than cash.

1 (i) To, or on behalf of, an employee or his or her beneficiary
2 under any of the following situations:

3 (1) From or to a trust which is exempt from tax under Section
4 17631 of the Revenue and Taxation Code at the time of payment,
5 unless the payment is made to an employee of the trust as
6 remuneration for services rendered as an employee and not as a
7 beneficiary of the trust.

8 (2) Under or to an annuity plan which, at the time of payment,
9 is a plan qualified pursuant to Chapter 5 (commencing with
10 Section 17501) of Part 10 of Division 2 of the Revenue and
11 Taxation Code.

12 (3) Under or to a bond purchase plan which, at the time of
13 payment, is a bond purchase plan qualified pursuant to Chapter 5
14 (commencing with Section 17501) of Part 10 of Division 2 of the
15 Revenue and Taxation Code.

16 (4) For a payment which qualifies for deduction by an
17 employee pursuant to Section 219 of the Internal Revenue Code
18 if, at the time of payment, it is reasonable to believe that the
19 employee will be entitled to a deduction under that section for
20 payment.

21 (5) Under a cafeteria plan (within the meaning of Section 125
22 of the Internal Revenue Code).

23 (6) *For a payment described by subdivision (a) of Section 691*
24 *of the Internal Revenue Code.*

25 (j) To a master, officer, or any other seaman who is a member
26 of a crew on a vessel engaged in foreign, coastwise, intercoastal,
27 interstate, or noncontiguous trade.

28 (k) Pursuant to any provision of law other than Section 5(c) or
29 6(l) of the Peace Corps Act, for service performed as a volunteer
30 or volunteer leader within the meaning of that act.

31 (l) In the form of group-term life insurance on the life of an
32 employee.

33 (m) To or on behalf of an employee, and to the extent that, at
34 the time of the payment of remuneration it is reasonable to
35 believe that a corresponding deduction is allowable for moving
36 expenses pursuant to Article 6 (commencing with Section 17201)
37 of Chapter 3 of Part 10 of Division 2 of the Revenue and
38 Taxation Code.

39 (n) (1) As tips in any medium other than cash.

1 (2) As cash tips to an employee in any calendar month in the
2 course of his or her employment by an employer, unless the
3 amount of the cash tips is twenty dollars (\$20) or more.

4 (o) For service performed by an individual on a boat engaged
5 in catching fish or other forms of aquatic animal life under an
6 arrangement with the owner or operator of the boat pursuant to
7 which all of the following apply:

8 (1) The individual does not receive any cash remuneration,
9 other than as provided in paragraph (2).

10 (2) The individual receives a share of the boat's (or the boats'
11 in the case of a fishing operation involving more than one boat)
12 catch of fish or other forms of aquatic animal life or a share of
13 the proceeds from the sale of the catch.

14 (3) The amount of the individual's share depends on the
15 amount of the boat's (or the boats' in the case of a fishing
16 operation involving more than one boat) catch of fish or other
17 forms of aquatic animal life.

18 This subdivision shall apply only where the operating crew of
19 the boat (or each boat from which the individual receives a share
20 in the case of a fishing operation involving more than one boat)
21 is normally made up of fewer than 10 individuals.

22 (p) For any medical care reimbursement made to, or for the
23 benefit of, an employee under a self-insured medical
24 reimbursement plan pursuant to Section 105(h)(6) of the Internal
25 Revenue Code.

26 (q) To, or on behalf of, an employee to the extent not
27 includable in gross income pursuant to Section 13006.

28 (r) For services to which Section 633 applies.

29 SEC. 65. Section 13009.5 of the Unemployment Insurance
30 Code is amended to read:

31 13009.5. (a) For purposes of the report required by
32 subdivision (a) of Section 1088 and the statement required by
33 Section 13050, "wages subject to personal income tax" means all
34 of the following:

35 (1) Remuneration defined as wages by Section 13009, except
36 that in the case of tips received by an employee in the course of
37 his or her employment, the amounts shall include only those tips
38 included in statements furnished to the employer, pursuant to
39 Section 13055.

(2) Remuneration described in subdivisions (a), (b), (f), ~~and~~
(h), (j), (l), (o), and (r) of Section 13009, to the extent included in
gross income.

(3) Payments made by a third party for sick pay as specified in
Section 931.5.

(A) Any employer who receives a report of wages from a
third-party payer as provided for in subdivisions (a) and (b) of
Section 931.5 shall report those wages to the department as
required under paragraph (2) of subdivision (a) of Section 1088.

(B) Any third-party payer described in Section 931.5 who fails
to report wages to an employer as provided for in that section
shall report those wages to the department as required under
paragraph (2) of subdivision (a) of Section 1088.

*(4) Remuneration attributable to the disposition of stock
pursuant to the exercise of an option that meets the requirements
of Section 422(a) or 423(a) of the Internal Revenue Code, except
that there is a failure to meet the holding period requirements of
Section 422(a)(1) or 423(a)(1) of the Internal Revenue Code.*

(b) (1) A person or entity shall not be required to register with
the Employment Development Department solely for the purpose
of reporting wages subject to personal income tax pursuant to
Section 1088 unless that registration is otherwise required by this
code.

(2) A person or entity shall not be required to withhold any tax
under Section 13020 for wages, as defined by this section, unless
that person or entity is required to withhold tax for those wages
as defined by Section 13009.

SEC. 66. Section 13021 of the Unemployment Insurance
Code is amended to read:

13021. (a) Every employer required to withhold any tax
under Section 13020 shall for each calendar quarter, whether or
not wages or payments are paid in the quarter, file a withholding
report and a report of wages in a form prescribed by the
department, and pay over the taxes so required to be withheld.
The report of wages shall include individual amounts required to
be withheld under Section 13020 or withheld under Section
13028. Except as provided in subdivisions (c) and (d) of this
section, the employer shall file a withholding report and remit the
total amount of income taxes withheld during the calendar

1 quarter on or before the last day of the month following the close
2 of the calendar quarter.

3 (b) Every employer electing to file a single annual return
4 under subdivision (d) of Section 1110 shall report and pay any
5 taxes withheld under Section 13020 on an annual basis within the
6 time specified in subdivision (d) of Section 1110.

7 (c) (1) Effective January 1, 1995, whenever an employer is
8 required, for federal income tax purposes, to remit the total
9 amount of withheld federal income tax in accordance with
10 Section 6302 of the Internal Revenue Code and regulations
11 thereunder, and the accumulated amount of state income tax
12 withheld is more than five hundred dollars (\$500), the employer
13 shall remit the total amount of income tax withheld for state
14 income tax purposes within the number of banking days as
15 specified for withheld federal income taxes by Section 6302 of
16 the Internal Revenue Code, and regulations thereunder.

17 (2) Effective January 1, 1996, the five hundred dollar (\$500)
18 amount referred to in paragraph (1) shall be adjusted annually as
19 follows, based on the annual average rate of interest earned on
20 the Pooled Money Investment Fund as of June 30 in the prior
21 fiscal year:

22	Average Rate of Interest	
23	Greater than or equal to 9 percent:	\$ 75
24	Less than 9 percent, but greater than or equal to	
25	7 percent:	250
26	Less than 7 percent, but greater than or equal to	
27	4 percent:	400
28	Less than 4 percent:	500
29		
30		

31 (d) (1) Notwithstanding subdivisions (a) and (c), for calendar
32 years beginning prior to January 1, 1995, if in the 12-month
33 period ending June 30 of the prior year the cumulative average
34 payment made pursuant to this division or Section 1110, for
35 eight-monthly periods, as defined under Section 6302 of the
36 Internal Revenue Code and regulations thereunder, was fifty
37 thousand dollars (\$50,000) or more, the employer shall remit the
38 total amount of income tax withheld within three banking days
39 following the close of each eight-monthly period, as defined by
40 Section 6302 of the Internal Revenue Code and regulations

thereunder. For purposes of this subdivision, payment shall be made by electronic funds transfer in accordance with Section 13021.5, for one calendar year beginning on January 1. Payment is deemed complete on the date the electronic funds transfer is initiated, if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed complete on the date settlement occurs. The department shall, on or before October 31 of the prior year, notify all employers required to make payment by electronic funds transfer of these requirements.

(2) Notwithstanding subdivisions (a) and (c), for calendar years beginning on or after January 1, 1995, if in the 12-month period ending June 30 of the prior year, the cumulative average payment made pursuant to this division or Section 1110 for any deposit periods, as defined under Section 6302 of the Internal Revenue Code and regulations thereunder, was twenty thousand dollars (\$20,000) or more, the employer shall remit the total amount of income tax withheld within the number of banking days as specified for federal income taxes by Section 6302 of the Internal Revenue Code and regulations thereunder. For purposes of this subdivision, payment shall be made by electronic funds transfer in accordance with Section 13021.5, for one calendar year beginning on January 1. Payment is deemed complete on the date the electronic funds transfer is initiated, if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed complete on the date settlement occurs. The department shall, on or before October 31 of the prior year, notify all employers required by this paragraph to make payments by electronic funds transfer of these requirements.

(3) Notwithstanding paragraph (2), effective January 1, 1995, electronic funds transfer payments that are subject to the one-day deposit rule, as defined by Section 6302 of the Internal Revenue Code and regulations thereunder, shall be deemed timely if the payment settles to the state's demand account within three

1 banking days after the date the employer meets the threshold for
2 the one-day deposit rule.

3 (4) Any taxpayer required to remit payments pursuant to
4 paragraphs (1) and (2) may request from the department a waiver
5 of those requirements. The department may grant a waiver only if
6 it determines that the particular amounts paid in excess of fifty
7 thousand dollars (\$50,000) or twenty thousand dollars (\$20,000),
8 as stated in paragraphs (1) and (2), respectively, were the result
9 of an unprecedented occurrence for that employer, and were not
10 representative of the employer's cumulative average payment in
11 prior years.

12 (5) Any state agency required to remit payments pursuant to
13 paragraphs (1) and (2) may request a waiver of those
14 requirements from the department. The department may grant a
15 waiver if it determines that there will not be a negative impact on
16 the interest earnings of the General Fund. If there is a negative
17 impact to the General Fund, the department may grant a waiver if
18 the requesting state agency follows procedures designated by the
19 department to mitigate the impact to the General Fund.

20 (e) Any employer not required to make payment pursuant to
21 subdivision (d) of this section may elect to make payment by
22 electronic funds transfer in accordance with Section 13021.5
23 under the following conditions:

24 (1) The election shall be made in a form, and shall contain
25 information, as prescribed by the director, and shall be subject to
26 approval by the department.

27 (2) If approved, the election shall be effective on the date
28 specified in the notification to the employer of approval.

29 (3) The election shall be operative from the date specified in
30 the notification of approval, and shall continue in effect until
31 terminated by the employer or the department.

32 (4) Funds remitted by electronic funds transfer pursuant to this
33 subdivision shall be deemed complete in accordance with
34 subdivision (d) or as deemed appropriate by the director to
35 encourage use of this payment method.

36 (f) Notwithstanding Section 1112, no interest or penalties shall
37 be assessed against any employer who remits at least 95 percent
38 of the amount required by subdivision (c) or (d), provided that
39 the failure to remit the full amount is not willful and any
40 remaining amount due is paid with the next payment. The

1 director may allow any employer to submit the amounts due from
2 multiple locations upon a showing that those submissions are
3 necessary to comply with the provisions of subdivision (c) or (d).

4 (g) The department may, if it believes that action is necessary,
5 require any employer to make the report required by this section
6 and pay to it the tax deducted and withheld at any time, or from
7 time to time but no less frequently than provided for in
8 subdivision (a).

9 (h) Any employer required to withhold any tax and who is not
10 required to make payment under subdivision (c) shall remit the
11 total amount of income tax withheld during each month of each
12 calendar quarter, on or before the 15th day of the subsequent
13 month if the income tax withheld for any of the three months or,
14 cumulatively for two or more months, is three hundred fifty
15 dollars (\$350) or more.

16 (i) For purposes of subdivisions (a), (c), and (h), payment is
17 deemed complete when it is placed in a properly addressed
18 envelope, bearing the correct postage, and it is deposited in the
19 United States mail.

20 (j) In addition to the withholding report and report of wages
21 described in subdivision (a), each employer shall file with the
22 director an annual reconciliation return showing the amount
23 required to be withheld under Section 13020, and any other
24 information the director shall prescribe. This annual
25 reconciliation return shall be due on the first day of January
26 following the close of the prior calendar year and shall become
27 delinquent if not filed on or before the last day of that month.

28 ~~(k) If an employer demonstrates that an undue hardship would~~
29 ~~be imposed, the director may authorize an exemption from the~~
30 ~~requirement in subdivision (a) to report individual amounts~~
31 ~~withheld under Section 13020 and the requirement in subdivision~~
32 ~~(j) to file the annual reconciliation return for the 1995 calendar~~
33 ~~year only. Any request for exemption must be filed on or before~~
34 ~~January 15, 1995. Upon approval of a request for exemption~~
35 ~~under this subdivision, the employer shall file quarterly returns~~
36 ~~reporting the amount withheld under Section 13020, the~~
37 ~~statement required to be furnished under Section 13050, and the~~
38 ~~annual return required by Section 13053, for the 1995 calendar~~
39 ~~year only.~~

SEC. 67. Section 15001 of the Unemployment Insurance Code is amended to read:

15001. It is the purpose of this division to establish a program of job preparation, training, and placement services which enable economically disadvantaged persons to participate fully in the mainstream of our economy and thereby promote the economic security of families they now head or will in the future head, and which carries out the objectives, purposes and provisions of the ~~Aid to Families with Dependent Children (AFDC)~~ *Temporary Assistance for Needy Families (TANF)* program established pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code. To achieve these purposes it is the intent of the Legislature that a service system be implemented which incorporates the following elements:

(a) Integration of benefits and services under the Aid to Families with Dependent Children program with employment services, including the following:

- (1) Application and screening of eligible participants.
- (2) Assessment of each participant's employment potential and training needs.
- (3) Immediate job search assistance and imparting of self-help job search skills for employment in unsubsidized jobs.
- (4) Placement in appropriate training programs for those participants not otherwise job ready.

(b) Integration of those state and federal job training programs now authorized by law and designed to serve persons eligible under this division.

(c) Overall program direction by the department whose functions under this division shall include:

- (1) Overall direction, under the policies established by the State Job Training Coordinating Council, of the statewide programs administered in service delivery areas under this division, including establishment of basic program standards consistent with the provisions of this division and the provisions of Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, review of service delivery area plans, allocation and distribution to grant recipients selected within service delivery areas of funds from the block grant established pursuant to Chapter 8 (commencing with

1 Section 15080), and assessment of service delivery area
2 performance based on standards that measure results rather than
3 process.

4 (2) Administration, either directly or by contract with another
5 entity, of these statewide programs in service delivery areas that
6 request the state to assume this function.

7 (3) Administration of demonstration programs testing
8 innovative approaches to assisting clients eligible under this
9 division to find unsubsidized employment.

10 (4) Administration of special assistance programs to areas
11 facing urgent employment and training needs that cross
12 jurisdictional lines or that result from major plant closures,
13 arrival and resettlement of a significant number of refugees, or
14 comparable circumstances.

15 (d) Local administration and operation of the statewide
16 programs under this division, in accordance with an approved
17 service delivery area plan.

18 (e) Planning, design, and local oversight by local private
19 industry councils pursuant to this division to ensure that the
20 service delivery area plan responds appropriately to local
21 economic conditions, local employment needs, and business and
22 economic development strategies planned or being implemented
23 within the area, as well as complies with the basic standards and
24 provisions of this division.

25 (f) Streamlining of the funding for programs authorized under
26 this division, in accordance with the following principles:

27 (1) Consolidation of funds in the Consolidated Work Program
28 Fund pursuant to Section 15082, for distribution to the grant
29 recipients selected within the service delivery areas to carry out
30 the approved plans, of:

31 (A) Those federal and state funds heretofore appropriated on a
32 categorical basis for various programs authorized to provide job
33 preparation, training, and placement services, which programs
34 are integrated by this division into the locally operated statewide
35 programs.

36 (B) Other funds that the federal government may make
37 available or the Legislature may appropriate for the statewide
38 programs.

39 (2) Retention by the department of the following funding
40 sources:

1 (A) The service delivery area's share of block grant funds
2 distributed under paragraph (1), to support provision of services
3 to service delivery area residents eligible under this division, in
4 those service delivery areas where the state assumes this function
5 in accordance with paragraph (2) of subdivision (c).

6 (B) Federal and state funds received for the operation of
7 demonstration and special assistance programs serving persons
8 eligible under this division. When a demonstration program and
9 its funding level become suitable for statewide
10 institutionalization, local administrative responsibility for the
11 program shall be assigned to the administrative entity within the
12 service delivery area and its funding shall be moved to the
13 Consolidated Work Program Fund established under paragraph
14 (1).

15 SEC. 68. Section 15005 of the Unemployment Insurance
16 Code is amended to read:

17 15005. The designation of ~~service delivery~~ areas shall be
18 consistent with the requirements of the federal ~~Job Training~~
19 ~~Partnership~~ *Workforce Investment* Act. Units of general local
20 government with populations of 200,000 or more and consortia
21 of contiguous units of local government with an aggregate
22 population of 200,000 or more which serve a substantial part of a
23 labor market area shall be designated service delivery areas, if
24 they so request. Furthermore, consideration shall be given to
25 service delivery area requests from any unit of general local
26 government, with a population level below 200,000, which
27 served as a prime sponsor under the ~~Comprehensive Employment~~
28 ~~and Training Act~~ *California Work Opportunity and*
29 *Responsibility for Kids (CalWORKs) program*.